

## AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name County of Monroe, Michigan	County Monroe
Audit Date December 31, 2004	Opinion Date March 25, 2005	Date Accountant Report Submitted to State: June 16, 2005	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

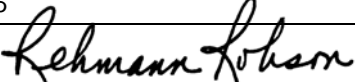
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- |   |   |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).  |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).	X		

Certified Public Accountant (Firm Name) REHMANN ROBSON GERALD J. DESLOOVER, CPA			
Street Address 5800 GRATIOT, PO BOX 2025		City SAGINAW	State MI
Zip 48605		Accountant Signature 	

**COUNTY OF MONROE, MICHIGAN**



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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**FOR YEAR ENDED  
DECEMBER 31, 2004**

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PREPARED BY:

**MONROE COUNTY FINANCE DEPARTMENT**  
**125 EAST SECOND STREET • MONROE, MICHIGAN 48161**  
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**CHARLES A. LONDO**  
MONROE COUNTY ADMINISTRATOR / CHIEF FINANCIAL OFFICER

**CAROLYN F. CRON**  
MONROE COUNTY FINANCE DIRECTOR

**SUSAN MAIER**  
MONROE COUNTY ASSISTANT FINANCE DIRECTOR

**JUNE 2005**

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# **INTRODUCTORY SECTION**



## **Charles A. Londo**

**Monroe County Administrator/Chief Financial Officer**

125 East Second Street • Monroe, Michigan 48161-2197

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March 25, 2005

To the Citizens of the  
County of Monroe, Michigan:

The Comprehensive Annual Financial Report of the County of Monroe, Michigan, for the year ended December 31, 2004 is submitted herewith. The County of Monroe Finance Department prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data as presented is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that the disclosures necessary to enable the reader to gain the maximum understanding of the County's financial activity have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical.

The introductory section includes this transmittal letter, the County's organizational chart and a list of principal officials. The financial section includes management's discussion and analysis, the basic financial statements, fund financial statements, notes to the financial statements, and required supplementary information as well as the auditors' report on the financial statements. The statistical section includes at a minimum the required Government Finance Officers Association (GFOA) financial and demographic information, generally presented on a multi-year basis.

The County is required to undergo an annual single audit in conformance with the provisions of the Single Audit Act, and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including the schedule of expenditures of federal awards, a schedule of findings and questioned costs, and independent auditor's reports on internal control and compliance with applicable laws and regulations, are included in a separately issued single audit report.

This report includes all funds of the County and its component units as defined in Government Accounting Standards Board (GASB) No. 14, *The Financial Reporting Entity*, as discussed below. The County provides many services to County residents including the administration of the Courts, Sheriff Road Patrol services in the unincorporated jurisdictions of the County, the constitutional offices of the County Clerk, Treasurer, Register of Deeds, Sheriff and Prosecutor and the statutory office of the Drain Commissioner. In addition, the County supports many other programs such as the emergency management disaster plans, health services, and services to older citizens. The County also supports cultural and recreational services such as the MSU Cooperative Extension Services, Library System, and Parks and Recreation Services.

GASB Statement No. 14 sets forth criteria for including/excluding certain related entities in the County's financial statements. The Monroe County Building Authority functions for all practical purposes as a department of the County and is presented as a blended component unit. Monroe County Road Commission, Community Mental Health Authority, Monroe County Library System, Monroe County Drain Commission, and County Agency are presented as discrete component units in the financial statements. Due to the separate legal nature of these entities, they have been reported in the financial statements as component units of the County's financial reporting entity.

The requirements of GASB Statement No. 34 were addressed and implemented in 2002. Presentation of the government-wide statement of net assets, statement of activities, management's discussion and analysis, and governmental capital assets are all addressed in this report.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of Monroe's MD&A can be found immediately following the report of the independent auditors.

## ECONOMIC CONDITION AND OUTLOOK

Monroe County had an overall unemployment rate in 2004 of 6.2 percent, lower than the State of Michigan at 6.8 percent and compared to 5.5 percent for the nation. A trend of generally declining unemployment in the County had been observed since the early '80s, when double-digit rates were prevalent. Unemployment rates slightly higher than those seen in previous years began to emerge in the early months of 2001, reflecting a nationwide economic downturn. Following is a summary of some recent developmental activity in the County.

## BUILDING ACTIVITIES

Local governments administer building permits. The Monroe County Planning Department, using building permit data, continuously compiles countywide records of building activities. These figures can be viewed as an indicator of economic health. The number of new residential living units had remained fairly steady in the 1990's, generally ranging in the mid 700s. For 2004, residential development totaled 1,165 living units.

The value of new commercial units in 2004 was \$30,696,242 for 25 building permits. The number of new industrial units has fallen in recent years, averaging 5 permits from 1999 to 2004.

This is quite different from the 90's where the County averaged 16 permits annually, with highs of 28 and 24 permits in 1995 and 1997, respectively. In 2004 only two permits were issued for a value of \$469,000.

## INDUSTRIAL

Monroe County's location in the Detroit, Michigan-Toledo, Ohio industrial area, its access to transportation and locally generated electrical power, and a strong labor force, offer unique advantages in bringing in new industry. The Monroe County Industrial Development Corporation (MCIDC) is on the job, seeking to bring in new industry, and to retain and encourage expansion of existing companies. The MCIDC catalogs numerous industrial sites throughout the County, which can be marketed to companies seeking to locate or expand here. The County has several industrial parks and other sites appropriate for industrial development. Bedford Township and Frenchtown Charter Township have Class A certified parks. The City of Monroe has brought a number of industries into its industrial park in recent years, and the Village of Dundee has been particularly aggressive in bringing in new industry to its growing industrial park.

The MCIDC summary of economic development for 2004 showed an investment of \$375,741,516 by ten companies. Of that investment, \$328,800,000 was from three companies with 343 total new jobs:

- Advanta Industries, Inc. with 35 jobs at \$3.5 million investment in Summerfield Township
- Global Engine Alliance with 300 jobs at \$323 million investment in the Village of Dundee
- Zongding USA with 8 jobs at \$2.3 million investment in the City of Monroe

The other seven companies invested \$46,941,516 into their existing facilities and retained 1,269 jobs. These companies include:

- G H Gutter Service with 8 jobs at \$38,437 investment in Bedford Township
- Fischer Tool & Die with 75 jobs at \$750,000 investment in Bedford Township
- Guardian Glass with 540 jobs at \$2.0 million investment in Ash Township
- Autolign Manufacturing with 120 jobs at \$1.5 million investment in Milan Township
- Motor City Plastics with 60 jobs at \$70,000 investment in the Village of Dundee
- Holcim with 350 jobs at \$41.3 million investment in Dundee Town
- Ort Tool & Die with 116 jobs at \$1.1 million investment in Erie Township

## COMMERCIAL/RETAIL

Cabela's of Sydney, Nebraska, the World's Foremost Outfitter, is still drawing additional development to the environs around its U.S. 23/M-50 location in Dundee. Three new developments account for an additional \$21.2 million. This rapid development has prompted the Village of Dundee to initiate a number of major infrastructure improvements.

Bedford Township and the Monroe urban area also have experienced substantial commercial development in 2004. Bedford handled 5 new commercial permits totaling \$1.1 million, with the City of Monroe and Monroe Charter Township providing two permits each for \$1.5 million

and \$1.4 million, respectively. Frenchtown Charter Township had five permits for \$2.3 million and Ash Township had three permits for \$1.75 million

The Monroe County Chamber of Commerce, the City of Monroe, the Downtown Development Authority (DDA), and the Downtown Business Network all work together to improve the Monroe downtown area. The DDA has contracted with an economic development firm to conduct a Retail Market Analysis for the downtown. Other efforts have included an ongoing streetscape project, grant programs to assist property owners with improvements, and various promotional activities.

## RESIDENTIAL

New single-family housing construction is a significant barometer of economic prosperity. In 2004, single-family home permits in Monroe County just fell short of last years total of (924) units with 910. These new housing starts amounted to more than \$140 million. Permits were issued for 187 units within multiple family structures, and the dollar value for all residential construction reached over \$161 million, exceeding \$100 million for the fourth time. Roughly 50% of those permits were issued in the Monroe and Bedford areas.

The County's communities in 2004 also issued 3,374 permits totaling \$44.9 million for alterations, additions, and accessory buildings, of which 2,410 permits for \$19.9 million made improvements to the existing housing stock. The County also has an approved Strategic Housing Plan and a Housing Commission, which, in conjunction with the Monroe County Opportunity Program, oversees implementation of the Plan, and administers local housing programs.

## MAJOR INITIATIVES

As the County plans for the future, many new initiatives are being undertaken. The County is investing in technology improvements, including continuing upgrades to computer systems and software, and also continuing to upgrade web page design and applications. Other initiatives include improved security of the Courthouse. The County Board of Commissioners also appropriated \$780,250 for the County Self-Help Road and Bridge Program, a partnership with the Monroe County Road Commission and local communities for infrastructure needs.

## MANAGEMENT

The Board of Commissioners has the primary responsibility for establishing policy for the County operations. The State of Michigan Constitution divides the administration duties of the County among various elected officials and the County Administrator/Chief Financial Officer. The general administration of all non-elected departments and agencies fall under the County Administrator/Chief Financial Officer.

## FINANCIAL INFORMATION

Management of the County is responsible for establishing and maintaining internal control designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that financial statements are in conformity with generally accepted accounting principles.

The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control

should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

## SINGLE AUDIT

As a recipient of federal financial assistance, the County is responsible for ensuring that adequate internal control is in place to achieve compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management and the independent auditors of the County.

As part of the County's single audit, described earlier, tests are made to determine the adequacy of the internal control, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations. The results of the County's single audit for the year ended December 31, 2004, are contained in a separately issued single audit report.

## BUDGETING CONTROL

The County maintains budgetary control with the objective to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Board of Commissioners. Activities of the general and special revenue funds are included in the annual appropriation budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level within an individual fund. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances outstanding at December 31, 2004 do not lapse, but are set aside within the fund balance and brought forward to the new fiscal year.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues meeting its responsibility for sound financial management.

## GENERAL GOVERNMENT FUNCTION

Property taxes recorded for 2004 are based on taxable valuations for the 2003 tax year of \$5,100,911,871.

State equalized valuations increased by approximately 5.7 percent to \$6,518,266,172 in 2004 (*see table 4 of the statistical section*) of which the taxable value of \$5,334,377,371 is the amount on which the County can collect taxes.

Current tax collections were 95.01 percent of the total tax levy (*see table 3 in the statistical section*). The County has established a delinquent tax revolving fund and pays for all real property taxes returned delinquent to the County Treasurer as of March 1st of each year. Uncollected personal property taxes are negligible.

## CASH AND INVESTMENTS

During the year, surplus cash was temporarily invested in obligations of the U.S. Government, certificates of deposit ranging from 30 to 180 days to maturity, short-term repurchase agreements with local banks, daily interest savings accounts and interest bearing checking accounts.

## PENSION TRUST FUND OPERATIONS

Net assets available for plan benefits of the Monroe County Public Employees' Retirement System increased by approximately \$7.1 million. The County is the administrator of a single-employer defined benefit pension plan.

## RISK MANAGEMENT

The County operates self-insurance funds to account for its workers compensation, unemployment, health insurance, dental insurance, and disability insurance claims along with the contracts with third party administrators for these coverages. The County also operates a self-insurance fund for general liability and property insurance claims and contracts with Michigan Municipal Risk Management Authority to administer this program. The life insurance program operates as a self-insurance fund with direct premiums.

## PROPRIETARY ACTIVITIES

The activities of the various enterprise funds include the delinquent tax revolving funds. The delinquent tax revolving fund issues debt for purposes of purchasing the delinquent taxes of the local governmental units within the County.

The County maintains several internal service funds, which primarily act as funding agencies for various financial activities including the various self-insurance funds.

## OTHER INFORMATION

### INDEPENDENT AUDIT

The Michigan Uniform Accounting and Budgeting Act requires an annual audit by independent certified public accountants. Rehmann Robson, Certified Public Accountants, Jackson, Michigan, was selected by the Monroe County Board of Commissioners. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act and related OMB Circular A-133. The auditors' report on the basic financial statements is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in a separately issued single audit report.

### ACCOUNTING SYSTEM AND REPORTS

The County's accounting records for traditional governmental fund operations (i.e., general, special revenue, debt service, and capital project funds) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a

liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1 of the year for which they were levied, the delinquent tax revolving fund pays the County for any outstanding taxes as of that date.

Budgetary control is maintained by an annual allotment system. Allotments, or appropriations balances, are encumbered by the simultaneous issuance and recording of purchase orders. Purchase orders, which exceed allotment balances, are not released until additional appropriations or appropriate budgetary adjustments are made available.

## ACKNOWLEDGMENTS

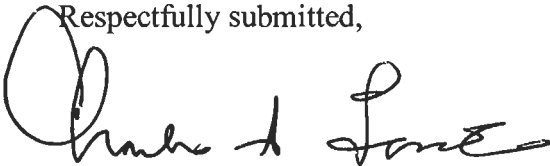
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Monroe, Michigan, for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2003. This was the third consecutive year, and seventh out of the past eight years, that the County has achieved this prestigious award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Appreciation is extended to the Board of Commissioners and the various employees throughout the County responsible for financial management and reporting. In particular, I would like to acknowledge the special efforts of the Finance Department employees, primarily Carolyn Cron, Finance Director and Susan Maier, Assistant Finance Director, who participated directly and indirectly in the development of this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Charles A. Londo". The signature is fluid and cursive, with a large initial "C" and "L".

Charles A. Londo  
Administrator/Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Monroe,  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

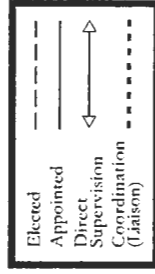


*Nancy L. Ziehlke*

President

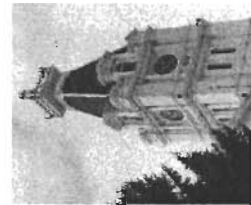
*Jeffrey R. Emer*

Executive Director



# Organizational Chart

Monroe County, Michigan



Montreal County Planning Department  
April 2004



## **Monroe County Board of Commissioners at December 31, 2004**

**Lehr Roe, Chairman**  
District 1

**Jerry Oley, Vice-Chairman**  
District 6

### **Members**

**Dale W. Zorn**  
District 2

**Thomas Mell**  
District 3

**Floreine M. Mentel**  
District 4

**William Sisk**  
District 5

**N. Randy Ansel**  
District 7

**Pearl Albert-Green**  
District 8

**David R. Scott**  
District 9

## **Circuit, Probate and First District Court Judges**

### **Circuit Court**

**Hon. William F. Lavoy**  
**Hon. Michael W. LaBeau**  
**Hon. Joseph A. Costello**

### **District Court**

**Hon. Terrence Bronson**  
**Hon. Mark S. Braunlich**  
**Hon. Jack Vitale**

### **Probate Court**

**Hon. Pamela A. Moska**  
**Hon. John A. Hohman, Jr.**

## **Other Elected Officials**

**Geraldine Allen**  
County Clerk/Register

**Norman J. Blanchett**  
County Treasurer

**Michael A. Weipert**  
Prosecuting Attorney

**Tilman Crutchfield**  
Sheriff

**Rollin L. Webb**  
Drain Commissioner

**2004 Monroe County Population: 152,256**

**2004 State Equalized Value: \$6,518,226,172**

# **FINANCIAL SECTION**



# REHMANN ROBSON

*Certified Public Accountants*

A member of THE REHMANN GROUP



## **INDEPENDENT AUDITORS' REPORT**

March 25, 2005

To the Board of Commissioners  
of Monroe County  
Monroe, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **MONROE COUNTY, MICHIGAN**, as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Monroe County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Monroe County Community Mental Health Authority, Monroe County Library and Monroe County Agency that collectively represent 48.4% of the assets and 64.1% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Monroe County Community Mental Health Authority, Monroe County Library and Monroe County Agency, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Monroe County, Michigan**, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund and Major Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2005, on our consideration of **Monroe County, Michigan's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 13-23 and historical pension information on page 75 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Monroe County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based upon our audit and the reports of other auditors, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink, reading "Lehmann Lobson". The signature is written in a cursive, flowing style.

**MANAGEMENT'S  
DISCUSSION  
AND ANALYSIS**

As management of the County of Monroe, Michigan, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the accompanying basic financial statements.

### **Financial Highlights**

- The assets of the County of Monroe primary government exceeded its liabilities at the close of the most recent fiscal year by \$58,910,932 (*net assets*). Of this amount, \$33,797,997 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$13,397,064. This increase was largely due to growth in property taxes, significant capital asset additions financed by capital grants and an increase in the charges for service that were received.
- As of the close of the current fiscal year, the County of Monroe's governmental funds reported combined ending fund balances of \$30,512,664, an increase of \$8,648,765 in comparison with the prior year. Approximately 86 percent of this total amount, \$26,223,048, is available for spending at the government's discretion (*unreserved, undesignated fund balance*).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$8,149,531 or 19.4 percent of total general fund expenditures and transfers out.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County of Monroe's basic financial statements. These statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the County of Monroe's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the County of Monroe's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County of Monroe is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County of Monroe that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). *Governmental activities* include general government, public safety, public works, health and welfare, community and economic development, and recreation and culture. *Business-type activities* include delinquent tax collections, equipment rental, printing, engineering and operation of an inmate commissary.

The County also includes the of legally separate entities (component units) for which the County is financially accountable. The *component units* include the Monroe County Community Mental Health Authority, the Monroe County Library System, the Monroe County Drain Commission, the Monroe County Drain Commissioner County Agency, and the Monroe County Road Commission. Financial information for these component units is reported separately from the financial information presented for the primary government. The Monroe County Building Authority System, although also legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government as a blended component unit in the County's governmental activities.

**Fund Financial Statements.** A fund is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Monroe, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County of Monroe can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds.* Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *government funds* and *governmental activities*.

The County of Monroe maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, county health fund, revenue sharing reserve fund and interoperable communications equipment fund,

each of which is considered to be a major fund. Data for the remaining governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

*Proprietary funds.* The County maintains two different types of proprietary funds: enterprise and internal service. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its delinquent tax, equipment rental, printing, engineering, and inmate commissary operations. *Internal service funds* are used to accumulate and allocate costs internally among the County's various functions. The various support services that are accounted for using internal service funds include phone, self-insurance, and office equipment replacement. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only with more detail. The proprietary fund financial statements provide separate information for each enterprise fund. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in combining statements elsewhere in this report.

*Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County of Monroe's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

## **Government-Wide Financial Analysis**

The government-wide financial analysis focuses on the net assets and changes in net assets of the governmental and business-type activities. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As the following table demonstrates, the County's assets exceeded its liabilities by \$58,910,932 at December 31, 2004.

**MONROE COUNTY NET ASSETS**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
<b>Assets</b>						
Current and other assets	\$ 66,632,374	\$ 61,589,623	\$ 6,728,088	\$ 6,791,760	\$ 73,360,462	\$ 68,381,383
Capital assets, net	<u>30,866,921</u>	<u>25,272,494</u>	<u>48,833</u>	<u>74,045</u>	<u>30,915,754</u>	<u>25,346,539</u>
Total assets	<u>97,499,295</u>	<u>86,862,117</u>	<u>6,776,921</u>	<u>6,865,805</u>	<u>104,276,216</u>	<u>93,727,922</u>
<b>Liabilities</b>						
Long-term liabilities	13,130,179	37,530,502	-	32,455	13,130,179	37,562,957
Other liabilities	<u>32,196,359</u>	<u>10,783,149</u>	<u>38,746</u>	<u>36,161</u>	<u>32,235,105</u>	<u>10,819,310</u>
Total liabilities	<u>45,326,538</u>	<u>48,313,651</u>	<u>38,746</u>	<u>68,616</u>	<u>45,365,284</u>	<u>48,382,267</u>
<b>Net assets</b>						
Invested in capital assets, net of related debt	19,321,982	25,272,494	48,833	74,045	19,370,815	25,346,539
Restricted	5,742,120	2,413,275	-	-	5,742,120	2,413,275
Unrestricted	<u>27,108,655</u>	<u>10,862,697</u>	<u>6,689,342</u>	<u>6,723,144</u>	<u>33,797,997</u>	<u>17,585,841</u>
Total net assets	<u>\$ 52,172,757</u>	<u>\$ 38,548,466</u>	<u>\$ 6,738,175</u>	<u>\$ 6,797,189</u>	<u>\$ 58,910,932</u>	<u>\$ 45,345,655</u>

The largest portion of the County's net assets, \$33,797,997 (58 percent), represents *unrestricted net assets* that may be used to meet the County's ongoing obligations to citizens and creditors.

An additional portion of the County's net assets, \$19,370,815 (33 percent), reflects its investment in capital assets (i.e., land, buildings, vehicles, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of \$5,742,120 (9 percent) represents resources that are subject to external restrictions on how they may be used.

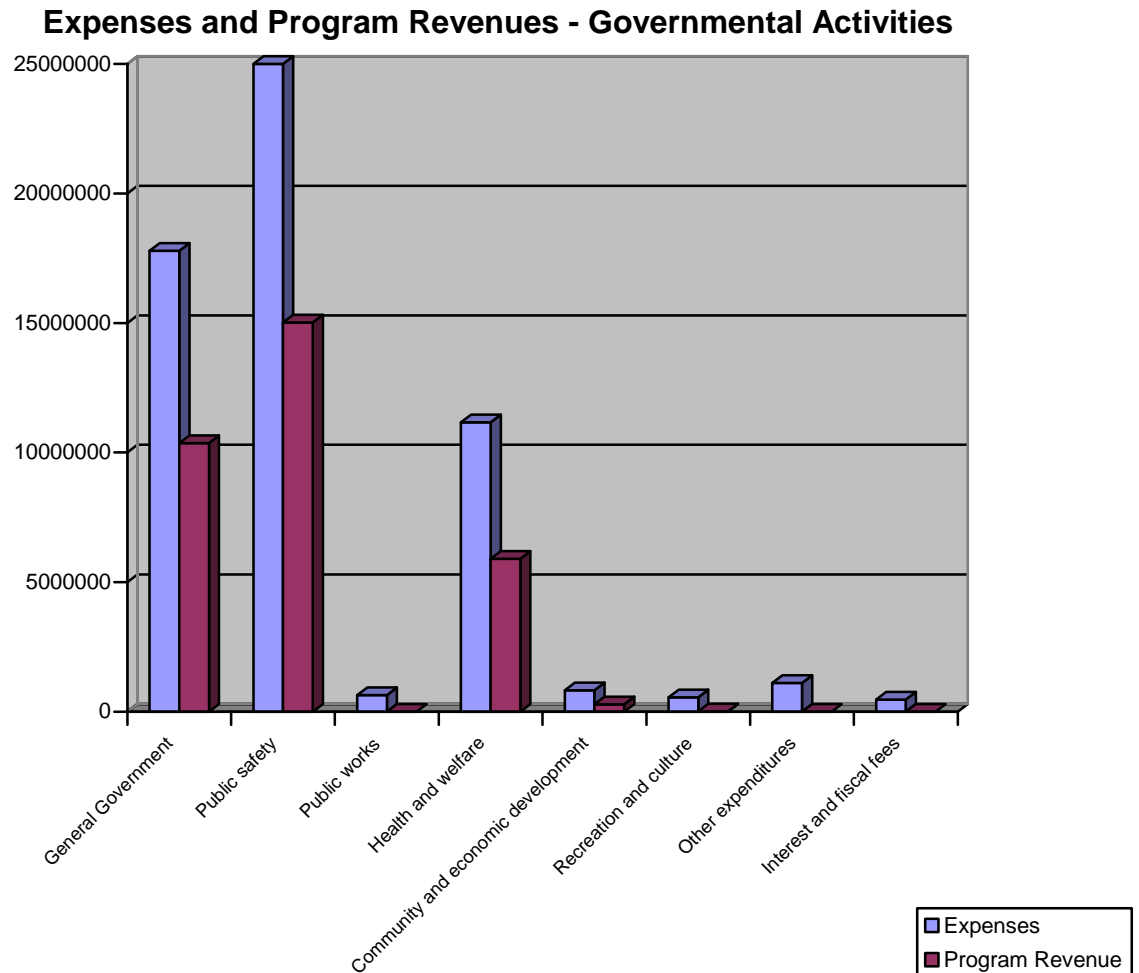
At the end of the current fiscal year, the County is able to report positive balances in all three categories (invested in capital assets-net of related debt, restricted and unrestricted) of net assets, both for the primary government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**MONROE COUNTY CHANGES IN NET ASSETS**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 9,368,375	\$ 14,795,567	\$ 1,635,505	\$ 1,384,269	\$ 11,003,880	\$ 16,179,836
Operating grants and contributions	16,235,565	10,650,357	-	-	16,235,565	10,650,357
Capital grants and contributions	5,965,098	137,456	-	-	5,965,098	137,456
General revenues:						
Property taxes	36,717,917	27,672,966	-	-	36,717,917	27,672,966
Grants and contributions not restricted to specific programs	2,592,308	2,597,140	-	-	2,592,308	2,597,140
Unrestricted interest and other revenue	1,179,739	1,749,135	7,566	34,692	1,187,305	1,783,827
Total revenues	<u>72,059,002</u>	<u>57,602,621</u>	<u>1,643,071</u>	<u>1,418,961</u>	<u>73,702,073</u>	<u>59,021,582</u>
<b>Expenses</b>						
General government	17,781,908	17,810,280	-	-	17,781,908	17,810,280
Public safety	27,174,720	24,035,943	-	-	27,174,720	24,035,943
Public works	638,423	518,335	-	-	638,423	518,335
Health and welfare	11,166,659	11,515,050	-	-	11,166,659	11,515,050
Community and economic development	832,725	734,342	-	-	832,725	734,342
Recreation and culture	559,637	641,762	-	-	559,637	641,762
Other expenditure	1,109,005	829,875	-	-	1,109,005	829,875
Interest on long-term debt	470,727	508,342	-	-	470,727	508,342
Delinquent tax revolving	-	-	-	99,116	-	99,116
Equipment rental	-	-	270,452	99,689	270,452	99,689
Printing	-	-	165,297	157,643	165,297	157,643
Engineering	-	-	98,410	99,363	98,410	99,363
Inmate commissary	-	-	37,046	49,655	37,046	49,655
Total expenses	<u>59,733,804</u>	<u>56,593,929</u>	<u>571,205</u>	<u>505,466</u>	<u>60,305,009</u>	<u>57,099,395</u>
Change in net assets before transfers	12,325,198	1,008,692	1,071,866	913,495	13,397,064	1,922,187
<b>Transfers</b>	<u>1,130,883</u>	<u>1,106,902</u>	<u>(1,130,883)</u>	<u>(1,106,902)</u>	<u>-</u>	<u>-</u>
Change in net assets	13,456,081	2,115,594	(59,017)	(193,407)	13,397,064	1,922,187
Net assets, beginning of year, as restated	<u>38,716,676</u>	<u>36,432,872</u>	<u>6,797,192</u>	<u>6,990,599</u>	<u>45,513,868</u>	<u>43,423,468</u>
<b>Net assets, end of year</b>	<u><u>\$ 52,172,757</u></u>	<u><u>\$ 38,548,466</u></u>	<u><u>\$ 6,738,175</u></u>	<u><u>\$ 6,797,192</u></u>	<u><u>\$ 58,910,932</u></u>	<u><u>\$ 45,345,655</u></u>

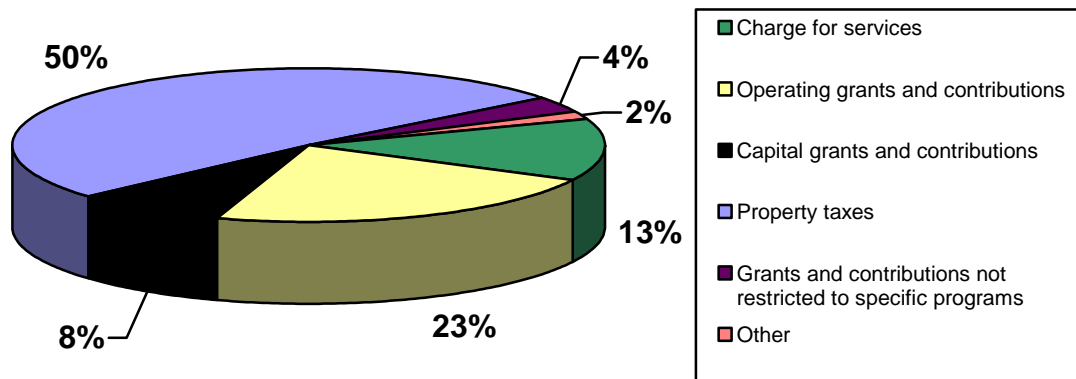
The County's net assets increased by \$13,397,064 during the current fiscal year. \$13,456,081 of the increase occurred in governmental activities and was attributable to growth in property taxes, including over \$8 million in additional revenue from the accelerated tax levy established to fund the reduction in state shared revenues. The County also received nearly \$6 million in capital grant proceeds for the interoperable communications equipment project. Other significant factors included decreases in jail revenues and expenditures related to changes in the U.S. Immigrations Office contract and the reduction of state revenue sharing funds. Operating grants and contributions increased in part because of public safety grants including homeland security awards.

**Governmental activities.** Governmental activities increased the County's net assets by \$13,456,081, accounting for 101 percent of the total growth in the net assets of the County. As previously mentioned, the major reasons for this increase were related to increased property tax collections for both the current year and the accelerated tax levy, as well as the receipt of the interoperable communications equipment capital grant proceeds.



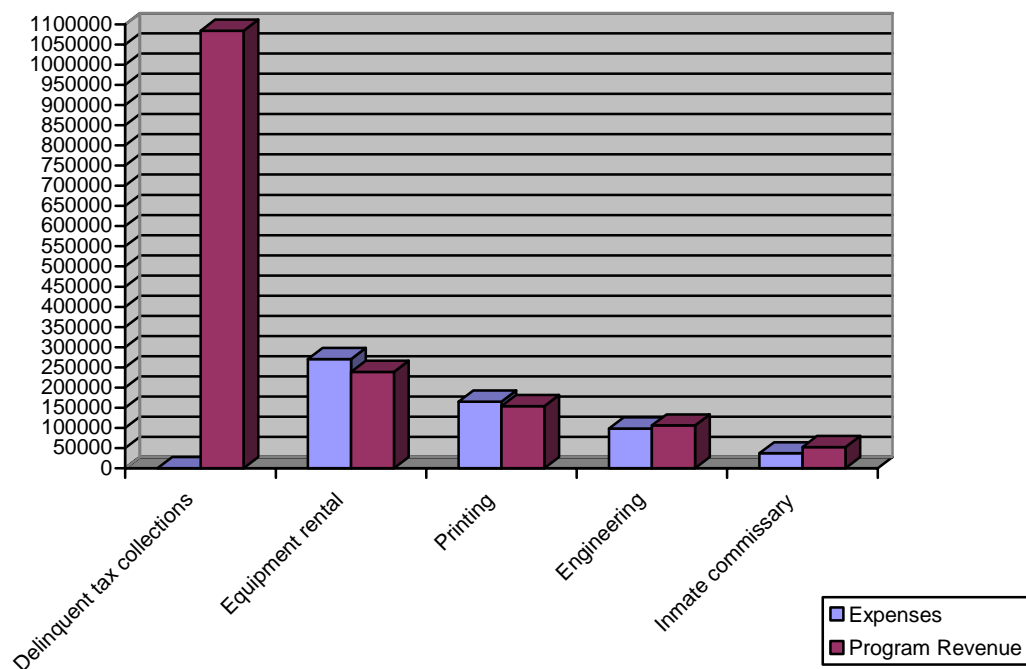
The governmental activity expenditures increase is primarily in the public safety area as a result of the \$6,000,000 grant to purchase and construct new emergency and public safety communications systems within the County.

### Revenue by Source - Governmental Activities



**Business-type activities.** Business type activities decreased the County's net assets by \$59,017, accounting for -1 percent of the total growth in the government's net assets for the current year. Operating transfers out made by the Delinquent Tax Revolving Fund exceeded income available before transfers by \$53,563, accounting for the majority of this decrease.

### Expenses and Program Revenues - Business-type Activities



## Financial Analysis of the County's Funds

As noted earlier, the County of Monroe uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved* fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$30,512,664, an increase of \$8,648,765 when compared with the prior year. This was primarily due to unspent reserved revenue sharing tax collections and unspent proceeds from debt financing. Of the fund balance amount, \$26,233,048 constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$8,149,531, with a total fund balance of \$9,622,997. Unreserved, undesignated fund balance represents approximately 19.4 percent of total general fund expenditures and transfers out. The fund balance of the County's general fund increased by \$436,788 during the current fiscal year. This is primarily attributable to increases in property taxes and grant funding.

The county health fund had a total fund balance of \$1,412,219, with \$800,861 reserved for specific programs, \$10,278 reserved for encumbrances, and \$180,000 designated for 2005 operations.

The revenue sharing reserve fund had a total fund balance of \$7,140,573 and the interoperable communications equipment capital projects fund had a total fund balance of \$1,118,540.

**Proprietary funds.** The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise and internal service funds at year-end amounted to \$6,689,342, and \$2,455,469, respectively. The enterprise funds had a decrease in net assets for the year of \$59,017, and the internal service funds had an increase of \$476,210.

## General Fund Budgetary Highlights

Differences between the original and final amended budgets for expenditures resulted in a 4.1 percent increase (approximately \$1.4 million increase in appropriations), primarily from homeland security grants and grants awarded to the Sheriff's Department. Budgeted operating transfers out decreased from the original to final amended budgets by approximately \$290,000.

Overall during the year, general fund revenues were below the budgetary estimates. The areas of greatest variance include property taxes, intergovernmental revenues, and charges for services. Specifically, charges for services revenue for the jail decreased in the amount of \$1.1 million attributable to changes in the agreement with the U.S. Immigration & Naturalization Service which also resulted in a decrease in expenditures for the jail of over \$242,000. Also, an intergovernmental revenue decrease in the amount of \$1.8 million was due to new legislation regarding the state revenue sharing amount being reduced, and offset by an increase in the amount of \$1.6 million as a transfer in from the revenue sharing reserve fund.

Expenditures were less than budgetary estimates overall and for each of the major classifications. Specifically, there was a decrease of \$1.5 million in transfers out as well as decreases in those activities primarily due to personnel services for positions that were not filled, as well as a reduction in costs for services and supplies for those programs and activities. In addition, actual expenditures for capital outlay items were under the amended budget amount by over \$228,000. These reductions in expenditures were necessitated primarily by the current economic conditions.

Overall during the year, actual general fund revenues and expenditures, including other financing sources and uses resulted in an actual increase in fund balance of \$436,789 compared to a final budgeted decrease of \$1,068,776.

### **Capital Asset and Debt Administration**

**Capital assets.** The County's capital assets (net of accumulated depreciation) for its governmental activities as of December 31, 2004, amounted to \$30,866,921. These capital assets include land and land improvements, construction in progress, buildings and improvements, machinery and equipment and vehicular equipment. The total increase in the County's capital assets for the current fiscal year was approximately 22 percent.

Major capital asset events during the current fiscal year included the following:

- Over \$5,800,000 of communication tower construction and related equipment purchases.
- Over \$260,000 in Sheriff's Department additions, including several patrol vehicles.
- Over \$560,000 in computer equipment related purchases for general governmental operations.

**County of Monroe's Capital Assets**  
(net of depreciation)

	<b>Governmental Activities</b>	
	<u><b>2004</b></u>	<u><b>2003</b></u>
Land and improvements	\$ 328,890	\$ 335,652
Construction in progress	660,528	40,902
Buildings and improvements	20,563,628	21,662,184
Machinery and equipment	8,547,884	2,401,123
Vehicular equipment	<u>765,991</u>	<u>832,633</u>
<b>Total</b>	<b><u>\$ 30,866,921</u></b>	<b><u>\$ 25,272,494</u></b>

Additional information on the County's capital assets can be found in Note F of this report.

**Long-term debt.** Debt is classified as long-term if it matures over a period greater than one year. At the end of the current fiscal year, the County had total general obligation debt outstanding of \$11,544,939.

**County of Monroe's Outstanding Debt**  
General Obligation

	<b>Governmental Activities</b>		<b>Business- type Activities</b>		<b>Total</b>	
	<u><b>2004</b></u>	<u><b>2003</b></u>	<u><b>2004</b></u>	<u><b>2003</b></u>	<u><b>2004</b></u>	<u><b>2003</b></u>
General obligations bonds	\$ 8,575,000	\$ 10,230,000	\$ -	\$ -	\$ 8,575,000	\$10,230,000
Installment loan	<u>2,969,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,969,939</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 11,655,939</u></b>	<b><u>\$ 10,230,000</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 11,544,939</u></b>	<b><u>\$10,230,000</u></b>

The County's total debt increased by \$1,314,939 (12.9 percent) during the current fiscal year.

The County has an "AA-" rating for general obligation bonds from Standard & Poor's and a A1 rating from Moody's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation (State Equalized Value). The current debt limitation for the County is \$651,826,617, which is significantly in excess of the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in Note G of this report.

## **Economic Factors and Next Year's Budgets and Rates**

The following factors were considered in preparing the County's 2005 budget:

- Property tax revenues are projected to increase 4.9 percent in 2005.
- Inflationary trends in the region compare favorably to national indices.

During the current fiscal year, unreserved, undesignated fund balance in the general fund increased to \$8,149,531. The general rule of thumb is that fund balances can be used to help government weather bad times, but should not be used as a means of funding routine operations. In the 2005 budget, the County plans to use \$536,818 of the fund balance carried forward in the general fund.

## **Contacting the County's Financial Management**

This financial report is designed to provide a general overview of the County's finances to all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Chief Financial Officer, County of Monroe Finance Department, 125 East Second Street, Monroe, Michigan 48161.

**BASIC  
FINANCIAL  
STATEMENTS**

**COUNTY OF MONROE, MICHIGAN**  
**Statement of Net Assets**  
**December 31, 2004**

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 16,534,427	\$ 722,331	\$ 17,256,758	\$ 22,920,301
Investments	8,270,000	1,750,000	10,020,000	-
Receivables, net	40,948,370	4,203,256	45,151,626	68,440,146
Internal balances	15,472	(15,472)	-	-
Due from component units	-	67,973	67,973	-
Prepaid items and other assets	14,453	-	14,453	1,017,665
Restricted assets - cash and cash equivalents	249,652	-	249,652	10,210,181
Advance to component unit	600,000	-	600,000	-
Capital assets not being depreciated	765,528	-	765,528	12,115,321
Capital assets being depreciated, net	30,101,393	48,833	30,150,226	121,713,930
<u>TOTAL ASSETS</u>	<u>\$ 97,499,295</u>	<u>\$ 6,776,921</u>	<u>\$ 104,276,216</u>	<u>\$ 236,417,544</u>
<u>LIABILITIES AND NET ASSETS</u>				
Liabilities				
Accounts payable and accrued expenses	\$ 2,750,023	\$ 38,746	\$ 2,788,769	\$ 7,575,183
Due to primary government	-	-	-	67,973
Unearned revenue	29,446,336	-	29,446,336	6,075,886
Noncurrent liabilities:				
Compensated absences	1,585,240	-	1,585,240	533,820
Advance from primary government	-	-	-	600,000
Long-term debt due within one year	1,898,196	-	1,898,196	4,542,886
Long-term debt due in more than one year	9,646,743	-	9,646,743	55,819,010
Total liabilities	45,326,538	38,746	45,365,284	75,214,758
Net assets				
Invested in capital assets, net of related debt	19,321,982	48,833	19,370,815	126,852,222
Restricted for:				
Debt service	1,826,310	-	1,826,310	15,317,198
Construction	3,109,824	-	3,109,824	1,593,203
Health and welfare programs	805,986	-	805,986	-
Unrestricted	27,108,655	6,689,342	33,797,997	17,440,163
Total net assets	52,172,757	6,738,175	58,910,932	161,202,786
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 97,499,295</u>	<u>\$ 6,776,921</u>	<u>\$ 104,276,216</u>	<u>\$ 236,417,544</u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF MONROE, MICHIGAN**  
**Statement of Activities**  
**For the Year Ended December 31, 2004**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities:					
General government	17,781,908	5,670,054	4,699,424	-	(7,412,430)
Public safety	27,174,720	2,063,039	6,982,232	5,965,098	(12,164,351)
Public works	638,423	-	-	-	(638,423)
Health and welfare	11,166,659	1,600,143	4,300,618	-	(5,265,898)
Community and economic development	832,725	31,117	248,383	-	(553,225)
Recreation and culture	559,637	4,022	4,908	-	(550,707)
Other governmental activities	1,109,005	-	-	-	(1,109,005)
Interest on long-term debt	470,727	-	-	-	(470,727)
Total governmental activities	<u>59,733,804</u>	<u>9,368,375</u>	<u>16,235,565</u>	<u>5,965,098</u>	<u>(28,164,766)</u>
Business-type activities:					
Delinquent tax	-	1,083,871	-	-	1,083,871
Equipment rental	270,452	239,052	-	-	(31,400)
Printing	165,297	154,205	-	-	(11,092)
Engineering	98,410	106,033	-	-	7,623
Inmate commissary	37,046	52,344	-	-	15,298
Total business-type activities	<u>571,205</u>	<u>1,635,505</u>	<u>-</u>	<u>-</u>	<u>1,064,300</u>
Total primary government	<u>60,305,009</u>	<u>11,003,880</u>	<u>16,235,565</u>	<u>5,965,098</u>	<u>(27,100,466)</u>
<b>Component units</b>					
Road Commission	23,530,086	3,140,193	21,195,344	-	805,451
Mental Health Authority	23,897,121	17,918,171	5,853,915	-	(125,035)
Library Services	5,721,491	239,730	-	-	(5,481,761)
Drain Commission	1,129,065	9,581	100,802	688,158	(330,524)
County Agency	13,804,588	6,086,749	13,945,031	-	6,227,192
Total component units	<u>68,082,351</u>	<u>27,394,424</u>	<u>41,095,092</u>	<u>688,158</u>	<u>1,095,323</u>

continued...

**COUNTY OF MONROE, MICHIGAN  
Statement of Activities  
For the Year Ended December 31, 2004**

<b>Functions/Programs</b>	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>Changes in net assets</b>				
Net (expense) revenue	(28,164,766)	\$ 1,064,300	\$ (27,100,466)	\$ 1,095,323
General revenues:				
Property taxes	36,717,917	-	36,717,917	4,182,748
Grants and contributions not restricted to specific programs	2,592,308	-	2,592,308	1,276,515
Rents and other revenue	676,881	-	676,881	2,879,804
Restricted investment earnings	-	-	-	4,084
Unrestricted investment earnings	502,858	7,566	510,424	468,128
Gain on disposal of capital assets	-	-	-	5,252
Transfers - internal activities	1,130,883	(1,130,883)	-	-
 Total general revenues, contributions and transfers	 41,620,847	 (1,123,317)	 40,497,530	 8,816,531
 Change in net assets	 13,456,081	 (59,017)	 13,397,064	 9,911,854
Net assets, beginning of year, as restated	38,716,676	6,797,192	45,513,868	151,290,932
<b>Net assets, end of year</b>	<u>52,172,757</u>	<u>\$ 6,738,175</u>	<u>\$ 58,910,932</u>	<u>\$ 161,202,786</u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF MONROE, MICHIGAN**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2004**

	General	County Health	Revenue Sharing Reserve	Interoperable Communications Equipment	Nonmajor Funds	Totals
<b><u>ASSETS</u></b>						
<b>Assets</b>						
Cash and cash equivalents	\$ 2,520,577	\$ 1,436,987	\$ 228,294	\$ 1,173,899	\$ 9,338,231	\$ 14,697,988
Investments	5,310,000	-	-	-	1,310,000	6,620,000
Taxes receivable	26,201,279	-	8,551,007	-	3,245,057	37,997,343
Accounts receivable - net	8,406	-	-	-	-	8,406
Due from other governments	1,470,057	189,171	-	-	1,177,636	2,836,864
Due from other funds	1,638,728	-	-	-	507,500	2,146,228
Advance to other funds	225,000	-	-	-	357,017	582,017
Advance to component unit	600,000	-	-	-	-	600,000
Prepays	14,453	-	-	-	-	14,453
<b><u>TOTAL ASSETS</u></b>	<b>\$ 37,988,500</b>	<b>\$ 1,626,158</b>	<b>\$ 8,779,301</b>	<b>\$ 1,173,899</b>	<b>\$ 15,935,441</b>	<b>\$ 65,503,299</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
<b>Liabilities</b>						
Accounts payable	\$ 456,937	\$ 107,673	\$ -	\$ 55,359	\$ 337,408	\$ 957,377
Accrued wages and fringes	460,643	36,269	-	-	180,277	677,189
Due to other funds	1,227,907	69,997	1,638,728	-	779,364	3,715,996
Advances from other governments	18,737	-	-	-	100,000	118,737
Advances from other funds	-	-	-	-	75,000	75,000
Deferred revenue	26,201,279	-	-	-	3,245,057	29,446,336
Total liabilities	28,365,503	213,939	1,638,728	55,359	4,717,106	34,990,635
<b>Fund balances</b>						
Reserved for:						
Encumbrances	97,195	10,278	-	-	11,737	119,210
Long-term advances	825,000	-	-	-	357,017	1,182,017
Prepaid items	14,453	-	-	-	-	14,453
Health ordinances	-	800,861	-	-	-	800,861
Debt service	-	-	-	-	756,873	756,873
Donations	-	-	-	-	5,125	5,125
Unreserved:						
Designated for subsequent expenditures	536,818	180,000	-	-	694,259	1,411,077
Undesignated	8,149,531	421,080	7,140,573	1,118,540	-	16,829,724
Undesignated, reported in nonmajor:						
Special revenue funds	-	-	-	-	6,381,176	6,381,176
Debt service funds	-	-	-	-	1,020,864	1,020,864
Capital projects funds	-	-	-	-	1,991,284	1,991,284
Total fund balances	9,622,997	1,412,219	7,140,573	1,118,540	11,218,335	30,512,664
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b>\$ 37,988,500</b>	<b>\$ 1,626,158</b>	<b>\$ 8,779,301</b>	<b>\$ 1,173,899</b>	<b>\$ 15,935,441</b>	<b>\$ 65,503,299</b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF MONROE, MICHIGAN**  
**Reconciliation of Fund Balances on the Balance Sheet**  
**for Governmental Funds to Net Assets**  
**of Governmental Activities on the Statement of Net Assets**  
**December 31, 2004**

Fund balances - total governmental funds	\$	30,512,664
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Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.

Add: capital assets not being depreciated	765,528	
Add: capital assets being depreciated	62,169,841	
Subtract: accumulated depreciation	(32,522,177)	

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.

Add: net assets of governmental activities accounted for in internal service funds	2,909,198	
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Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Subtract: bonds and notes payable	(11,544,939)	
Subtract: accrued interest on long-term liabilities	(117,358)	

Net assets of governmental activities	\$	<u>52,172,757</u>
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The accompanying notes are an integral part of these financial statements.

**COUNTY OF MONROE, MICHIGAN**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2004**

	General	County Health	Revenue Sharing Reserve	Interoperable Communications Equipment	Nonmajor Funds	Totals
<b>Revenues</b>						
Taxes	\$ 24,924,712	\$ -	\$ 8,779,301	\$ -	\$ 3,013,904	\$ 36,717,917
Licenses and permits	191,890	379,990	-	-	12,810	584,690
Intergovernmental revenues	4,739,307	2,487,028	-	5,965,098	7,150,734	20,342,167
Contributions from local units	1,815,814	-	-	-	42,467	1,858,281
Charges for services	5,287,065	1,211,503	-	-	1,298,383	7,796,951
Fines and forfeits	669,321	-	-	-	317,413	986,734
Interest and rents	599,114	-	-	8,080	543,525	1,150,719
Other revenue	1,340,617	152,316	-	-	1,099,590	2,592,523
Total revenues	39,567,840	4,230,837	8,779,301	5,973,178	13,478,826	72,029,982
<b>Expenditures</b>						
Current:						
General government	14,605,576	-	-	-	2,640,971	17,246,547
Public safety	16,363,475	-	-	1,706,529	8,457,109	26,527,113
Public works	29,919	-	-	-	603,944	633,863
Health and welfare	590,649	4,924,617	-	-	5,613,334	11,128,600
Community and economic development	843,392	-	-	-	-	843,392
Recreation and culture	429,244	-	-	-	4,957	434,201
Other	1,109,005	-	-	-	-	1,109,005
Debt service:						
Principal	-	-	-	-	1,985,061	1,985,061
Interest	-	-	-	-	473,321	473,321
Capital outlay	707,051	45,500	-	6,448,109	870,337	8,070,997
Total expenditures	34,678,311	4,970,117	-	8,154,638	20,649,034	68,452,100
Revenues over (under) expenditures	4,889,529	(739,280)	8,779,301	(2,181,460)	(7,170,208)	3,577,882
<b>Other financing sources (uses)</b>						
Proceeds from long-term debt	-	-	-	3,300,000	-	3,300,000
Transfers in	2,967,697	1,273,896	-	-	7,481,845	11,723,438
Transfers (out)	(7,420,438)	(80,625)	(1,638,728)	-	(812,764)	(9,952,555)
Total other financing sources (uses)	(4,452,741)	1,193,271	(1,638,728)	3,300,000	6,669,081	5,070,883
Net change in fund balances	436,788	453,991	7,140,573	1,118,540	(501,127)	8,648,765
Fund balances, beginning of year	9,186,209	958,228	-	-	11,719,462	21,863,899
<b>Fund balances, end of year</b>	<b>\$ 9,622,997</b>	<b>\$ 1,412,219</b>	<b>\$ 7,140,573</b>	<b>\$ 1,118,540</b>	<b>\$ 11,218,335</b>	<b>\$ 30,512,664</b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF MONROE, MICHIGAN**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2004**

Net change in fund balances - total governmental funds	\$	8,648,765
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Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add: capital outlay		8,070,996
Subtract: depreciation expense		(2,348,006)
Subtract: loss on disposal of capital assets		(79,537)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term-liabilities.

Add: principal payments on long-term liabilities		1,985,061
Subtract: bond proceeds received		(3,300,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Add: change in accrued interest on bonds		2,592
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Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities:

Add: interest revenue from governmental internal service funds		29,020
Add: net operating income from governmental activities accounted for in internal service funds		1,087,190
Subtract: internal activities (transfers) accounted for in internal service funds		(640,000)

Change in net assets of governmental activities	\$	<u>13,456,081</u>
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The accompanying notes are an integral part of these financial statements.

**COUNTY OF MONROE, MICHIGAN**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2004**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual over (under) Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 25,560,702	\$ 25,560,702	\$ 24,924,712	\$ (635,990)
Licenses and permits	214,125	214,125	191,890	(22,235)
Intergovernmental revenues	6,327,529	6,658,766	4,739,307	(1,919,459)
Contributions from local units	1,627,000	1,627,000	1,815,814	188,814
Charges for services	6,266,050	6,312,050	5,287,065	(1,024,985)
Fines and forfeits	648,000	648,000	669,321	21,321
Interest and rents	627,004	609,964	599,114	(10,850)
Other revenue	1,373,828	1,440,486	1,340,617	(99,869)
Total revenues	42,644,238	43,071,093	39,567,840	(3,503,253)
<b>Expenditures</b>				
Current expenditures				
General government	15,166,688	15,302,688	14,605,576	(697,112)
Public safety	16,108,758	16,871,466	16,363,475	(507,991)
Public works	30,000	30,000	29,919	(81)
Health and welfare	639,970	640,989	590,649	(50,340)
Community and economic development	804,895	888,278	843,392	(44,886)
Recreation and cultural	451,943	452,035	429,244	(22,791)
Other expenditures	1,055,935	1,353,721	1,109,005	(244,716)
Capital outlay	796,849	935,691	707,051	(228,640)
Total expenditures	35,055,038	36,474,868	34,678,311	(1,796,557)
Revenues over (under) expenditures	7,589,200	6,596,225	4,889,529	(1,706,696)
<b>Other financing sources (uses)</b>				
Transfers in	1,334,951	1,334,951	2,967,697	1,632,746
Transfers (out)	(9,290,629)	(8,999,952)	(7,420,438)	1,579,514
Total other financing (uses)	(7,955,678)	(7,665,001)	(4,452,741)	3,212,260
Net change in fund balance	(366,477)	(1,068,776)	436,788	1,505,564
Fund balance, beginning of year	9,186,209	9,186,209	9,186,209	-
<b>Fund balance, end of year</b>	<b>\$ 8,819,732</b>	<b>\$ 8,117,433</b>	<b>\$ 9,622,997</b>	<b>\$ 1,505,564</b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF MONROE, MICHIGAN**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**County Health Special Revenue Fund**  
**For the Year Ended December 31, 2004**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual over (under) Final Budget</b>
<b>Revenues</b>				
Licenses and permits	\$ 325,000	\$ 325,000	\$ 379,990	\$ 54,990
Intergovernmental revenues	1,917,000	2,610,419	2,487,028	(123,391)
Charges for services	901,075	926,074	1,211,503	285,429
Other revenue	160,830	183,830	152,316	(31,514)
Total revenues	3,303,905	4,045,323	4,230,837	185,514
<b>Expenditures</b>				
Current expenditures				
Health and welfare	4,867,157	5,585,880	4,924,617	(661,263)
Capital outlay	91,000	133,200	45,500	(87,700)
Total expenditures	4,958,157	5,719,080	4,970,117	(748,963)
Revenues over (under) expenditures	(1,654,252)	(1,673,757)	(739,280)	934,477
<b>Other financing sources (uses)</b>				
Transfers in	1,655,583	1,655,583	1,273,896	(381,687)
Transfers (out)	(80,625)	(80,625)	(80,625)	-
Total other financing (uses)	1,574,958	1,574,958	1,193,271	(381,687)
Net changes in fund balance	(79,294)	(98,799)	453,991	552,790
Fund balance, beginning of year	958,228	958,228	958,228	-
<b>Fund balance, end of year</b>	<b>\$ 878,934</b>	<b>\$ 859,429</b>	<b>\$ 1,412,219</b>	<b>\$ 552,790</b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF MONROE, MICHIGAN**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Revenue Sharing Reserve Special Revenue Fund**  
**For the Year Ended December 31, 2004**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual over (under) Final Budget</b>
<b>Revenues</b>				
Taxes	\$ -	\$ 1,800,000	\$ 8,779,301	\$ 6,979,301
<b>Other financing uses</b>				
Transfers (out)	-	(1,800,000)	(1,638,728)	161,272
Net change in fund balance	-	-	7,140,573	7,140,573
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,140,573</b>	<b>\$ 7,140,573</b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF MONROE, MICHIGAN**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2004**

	<u>Business-type Activities / Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Delinquent Tax Revolving</u>	<u>Nonmajor Funds</u>	<u>Totals</u>	<u>Internal Service</u>
<b><u>ASSETS</u></b>				
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 309,082	\$ 413,249	\$ 722,331	\$ 1,836,439
Investments	1,750,000	-	1,750,000	1,650,000
Taxes receivable - delinquent	3,603,775	-	3,603,775	-
Accounts receivable	4,670	-	4,670	96,199
Interest receivable	589,651	-	589,651	-
Due from other governments	-	5,160	5,160	9,558
Due from other funds	-	-	-	1,585,240
Due from component units	-	67,973	67,973	-
Noncurrent assets:				
Restricted assets - cash and cash equivalents	-	-	-	249,652
Capital assets being depreciated, net	-	48,833	48,833	453,729
<b><u>TOTAL ASSETS</u></b>	<b>\$ 6,257,178</b>	<b>\$ 535,215</b>	<b>\$ 6,792,393</b>	<b>\$ 5,880,817</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	\$ -	\$ 19,394	\$ 19,394	\$ 85,364
Accrued wages and fringes	-	5,658	5,658	-
Other accrued liabilities	-	-	-	793,998
Due to other governments	13,694	-	13,694	-
Due to other funds	-	15,472	15,472	-
Noncurrent liabilities:				
Compensated absences payable	-	-	-	1,585,240
Advances from other funds	-	-	-	507,017
Total liabilities	13,694	40,524	54,218	2,971,619
<b>Net assets</b>				
Invested in capital assets, net of related debt	-	48,833	48,833	453,729
Unrestricted	6,243,484	445,858	6,689,342	2,455,469
Total net assets	6,243,484	494,691	6,738,175	2,909,198
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b>\$ 6,257,178</b>	<b>\$ 535,215</b>	<b>\$ 6,792,393</b>	<b>\$ 5,880,817</b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF MONROE, MICHIGAN**  
**Statement of Revenues, Expenses**  
**and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2004**

	<b>Business-type Activities / Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Delinquent Tax Revolving</b>	<b>Nonmajor Funds</b>	<b>Totals</b>	<b>Internal Service</b>
<b>Operating revenues</b>				
Charges for services	\$ -	\$ 399,339	\$ 399,339	\$ 164,433
Interest on taxes	797,617	-	797,617	-
Tax administration fees	285,659	-	285,659	-
Expense of sale	595	-	595	-
Employer contributions	-	-	-	9,893,962
Employee contributions	-	-	-	87,584
Other operating revenue	-	152,295	152,295	434,853
Total operating revenues	1,083,871	551,634	1,635,505	10,580,832
<b>Operating expense</b>				
Cost of services	-	545,993	545,993	-
Administrative costs	-	-	-	279,644
Benefit payments	-	-	-	8,425,316
Liability insurance	-	-	-	730,863
Depreciation	-	25,212	25,212	57,819
Total operating expense	-	571,205	571,205	9,493,642
Operating income (loss)	1,083,871	(19,571)	1,064,300	1,087,190
<b>Non-operating revenues</b>				
Interest and rentals	7,566	-	7,566	29,020
Income (loss) before transfers	1,091,437	(19,571)	1,071,866	1,116,210
<b>Transfers</b>				
Transfers in	-	14,117	14,117	-
Transfers (out)	(1,145,000)	-	(1,145,000)	(640,000)
Total transfers	(1,145,000)	14,117	(1,130,883)	(640,000)
Change in net assets	(53,563)	(5,454)	(59,017)	476,210
Net assets, beginning of year, as restated	6,297,047	500,145	6,797,192	2,432,988
<b>Net assets, end of year</b>	<u>\$ 6,243,484</u>	<u>\$ 494,691</u>	<u>\$ 6,738,175</u>	<u>\$ 2,909,198</u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF MONROE, MICHIGAN**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2004**

	<b>Business-type Activities / Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Delinquent Tax Revolving</b>	<b>Nonmajor Funds</b>	<b>Totals</b>	<b>Internal Service</b>
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 423,739	\$ 509,708	\$ 933,447	\$ 10,481,551
Cash payments to suppliers for goods and services	-	(216,892)	(216,892)	(1,088,505)
Cash payments to employees for services	-	(314,135)	(314,135)	(8,600,407)
Net cash provided by (used in) operating activities	423,739	(21,319)	402,420	792,639
<b>Cash flows from non-capital financing activities</b>				
Transfers in	-	14,117	14,117	-
Transfers (out)	(1,145,000)	-	(1,145,000)	(640,000)
Net cash provided (used) by non-capital financing activities	(1,145,000)	14,117	(1,130,883)	(640,000)
<b>Cash flows from capital and related financing activities</b>				
Purchase of capital assets	-	-	-	(8,796)
Repayment of long-term advances	-	(32,455)	(32,455)	(80,643)
Interest payments	-	-	-	-
Principal payments	-	-	-	-
Net cash used by capital and related financing activities	-	(32,455)	(32,455)	(89,439)
<b>Cash flows from investing activities</b>				
Purchase of investments	(1,750,000)	-	(1,750,000)	(1,650,000)
Interest received	7,566	-	7,566	29,020
Net cash used by investing activities	(1,742,434)	-	(1,742,434)	(1,620,980)
Net increase (decrease) in cash and cash equivalents	(2,463,695)	(39,657)	(2,503,352)	(1,557,780)
Cash and cash equivalents, beginning of year	2,772,777	452,906	3,225,683	3,643,871
<b>Cash and cash equivalents, end of year</b>	<b>\$ 309,082</b>	<b>\$ 413,249</b>	<b>\$ 722,331</b>	<b>\$ 2,086,091</b>

(Continued...)

**COUNTY OF MONROE, MICHIGAN  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2004**

	<b>Business-type Activities / Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Delinquent Tax Revolving</b>	<b>Nonmajor Funds</b>	<b>Totals</b>	<b>Internal Service</b>
<b>Cash flows from operating activities</b>				
Operating income (loss)	\$ 1,083,871	\$ (19,571)	\$1,064,300	\$ 1,087,190
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	25,212	25,212	57,819
(Increase) decrease in:				
Taxes receivable-delinquent	(516,918)	-	(516,918)	-
Accounts receivable	(1,904)	58	(1,846)	(89,723)
Interest receivable	(144,404)	-	(144,404)	-
Due from other governments	-	-	-	(9,558)
Due from other funds	-	-	-	245,577
Due from component units	-	(41,984)	(41,984)	-
Increase (decrease) in:				
Accounts payable	(3,921)	12,638	8,717	65,061
Accrued wages and fringes	-	(1,775)	(1,775)	-
Due to other governments	7,425	-	7,425	-
Due to other funds	(410)	4,103	3,693	-
Other accrued liabilities	-	-	-	(318,150)
Compensated absences payable	-	-	-	(245,577)
Net cash provided (used) by operating activities	<u>\$ 423,739</u>	<u>\$ (21,319)</u>	<u>\$ 402,420</u>	<u>\$ 792,639</u>

**Non-cash transactions**

There were no non-cash transactions during the fiscal year.

The accompanying notes are an integral part of these financial statements.

**COUNTY OF MONROE, MICHIGAN**  
**Statement of Fiduciary Net Assets**  
**December 31, 2004**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Agency Funds</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 460,434	\$ 2,713,164
Investments at fair value:		
U.S. Government obligations	30,263,898	2,000,000
Corporate bonds	28,354,772	-
Corporate stocks	85,818,452	-
International stocks	13,233,565	-
Money market	7,422,635	-
Accounts receivable	1,968	-
Interest receivable	916,273	-
	<hr/>	<hr/>
Total assets	166,471,997	\$ 4,713,164
	<hr/>	<hr/>
<b>Liabilities</b>		
Accounts payable	144,854	\$ 8,641
Due to other governments	-	482,982
Undistributed taxes - current levy	-	3,546,791
Undistributed taxes - other	-	68,621
Other undistributed receipts	-	606,129
	<hr/>	<hr/>
Total liabilities	144,854	\$ 4,713,164
	<hr/>	<hr/>
<b>Net assets held in trust for pension benefits and other purposes</b>	<u><u>\$ 166,327,143</u></u>	

The accompanying notes are an integral part of these financial statements.

**COUNTY OF MONROE, MICHIGAN**  
**Statement of Changes in Fiduciary Net Assets**  
**For the Year Ended December 31, 2004**

	<b>Pension and Other Employee Benefit Trust Funds</b>
<b>Additions</b>	
Investment income:	
<i>From investing activities</i>	
Net appreciation in fair value of investments	\$ 8,636,666
Interest and dividends	4,856,889
Total investment income	13,493,555
Less: investment management fees	(1,004,581)
Net gain from investing activities	12,488,974
<i>From securities lending activities</i>	
Gross earnings	337,702
Borrower rebates	(282,223)
Securities lending fees	(22,129)
Net income from securities lending activities	33,350
Total net investment gain	12,522,324
Contributions:	
Employer	4,079,733
Employee	515,384
Time purchase	14,641
Total contributions	4,609,758
Total additions	17,132,082
<b>Deductions</b>	
Benefit payments	7,029,450
Refunds of contributions	617,767
Administrative expenses/premiums paid	538,184
Total deductions	8,185,401
Net additions (deductions) to net assets held in trust	8,946,681
<b>Net assets held in trust for pension benefits and other purposes</b>	
Beginning of year	157,380,462
End of year	\$ 166,327,143

The accompanying notes are an integral part of these financial statements.

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Net Assets**  
**Component Units**  
**December 31, 2004**

	Road Commission	Mental Health	Library	Drain Commission	County Agency	Total
<b><u>ASSETS</u></b>						
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 1,266,241	\$ 7,716,919	\$ 3,053,003	\$ 2,379,428	\$ 8,504,710	\$ 22,920,301
Taxes receivable	-	-	5,286,905	-	-	5,286,905
Special assessments receivable	125,832	-	-	791,790	-	917,622
Unlevied special assessments	-	-	-	1,170,000	-	1,170,000
Accounts receivable	5,573,270	449,908	180,716	-	810,662	7,014,556
Due from other governments	-	581,397	-	-	3,845,583	4,426,980
Inventory	569,205	-	-	-	92,331	661,536
Prepays	-	87,453	-	-	-	87,453
Deposits	-	-	-	-	1,500	1,500
Noncurrent assets:						
Restricted assets - cash and cash equivalents	-	311,414	-	-	9,898,767	10,210,181
Leases receivable	-	-	-	-	49,624,083	49,624,083
Deferred expense	267,176	-	-	-	-	267,176
Capital assets not being depreciated	12,061,321	54,000	-	-	-	12,115,321
Capital assets being depreciated, net	77,627,915	829,243	5,548,711	20,051,791	17,656,270	121,713,930
<b><u>TOTAL ASSETS</u></b>	<b>\$ 97,490,960</b>	<b>\$ 10,030,334</b>	<b>\$ 14,069,335</b>	<b>\$ 24,393,009</b>	<b>\$ 90,433,906</b>	<b>\$ 236,417,544</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>						
<b>Liabilities</b>						
Current liabilities:						
Accounts payable and accrued expenses	2,550,083	1,233,956	-	10,111	750,974	4,545,124
Accrued wages and fringes	-	268,884	130,553	-	40,380	439,817
Accrued interest payable	-	-	-	9,775	483,034	492,809
Due to other governments	664,054	1,428,887	-	-	-	2,092,941
Due to primary government	-	-	-	67,973	-	67,973
Deposits payable	-	-	-	-	4,492	4,492
Unearned revenue	6,268	377,255	5,488,132	-	204,231	6,075,886
Non current liabilities:						
Compensated absences	-	210,237	234,191	-	89,392	533,820
Advances from primary government	-	-	-	600,000	-	600,000
Long-term debt due within one year	624,737	5,966	-	458,633	3,453,550	4,542,886
Long-term debt due in more than one year	4,858,278	17,899	-	1,040,300	49,902,533	55,819,010
Total liabilities	8,703,420	3,543,084	5,852,876	2,186,792	54,928,586	75,214,758
<b>Net assets</b>						
Invested in capital assets, net of related debt	84,747,956	859,378	5,548,711	18,552,858	17,143,319	126,852,222
Restricted for debt service	-	51,278	12,935	5,665	15,247,320	15,317,198
Restricted for construction	-	-	-	1,593,203	-	1,593,203
Unrestricted	4,039,584	5,576,594	2,654,813	2,054,491	3,114,681	17,440,163
Total net assets	88,787,540	6,487,250	8,216,459	22,206,217	35,505,320	161,202,786
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b>\$ 97,490,960</b>	<b>\$ 10,030,334</b>	<b>\$ 14,069,335</b>	<b>\$ 24,393,009</b>	<b>\$ 90,433,906</b>	<b>\$ 236,417,544</b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Activities**  
**Component Units**  
**For the Year Ended December 31, 2004**

	Road Commission	Mental Health	Library	Drain Commission	County Agency	Total
<b>Expenses</b>						
Road Commission	\$ 23,530,086	\$ -	\$ -	\$ -	\$ -	23,530,086
Mental Health Authority	-	23,897,121	-	-	-	23,897,121
Library Services	-	-	5,721,491	-	-	5,721,491
Drain Commission	-	-	-	1,129,065	-	1,129,065
County Agency	-	-	-	-	13,804,588	13,804,588
Total expenses	23,530,086	23,897,121	5,721,491	1,129,065	13,804,588	68,082,351
<b>Program revenues</b>						
Charges for services	3,140,193	17,918,171	239,730	9,581	6,086,749	27,394,424
Operating grants and contributions	21,195,344	5,853,915	-	100,802	13,945,031	41,095,092
Capital grants and contributions	-	-	-	688,158	-	688,158
Total program revenues	24,335,537	23,772,086	239,730	798,541	20,031,780	69,177,674
Net (expense) revenue	805,451	(125,035)	(5,481,761)	(330,524)	6,227,192	1,095,323
<b>General revenues</b>						
Property taxes	-	-	4,182,748	-	-	4,182,748
Grants and contributions not restricted to specific programs	-	-	1,276,515	-	-	1,276,515
Other revenue	2,809,767	-	70,037	-	-	2,879,804
Restricted investment earnings	-	4,084	-	-	-	4,084
Unrestricted investment earnings	68,876	87,819	56,441	23,482	231,510	468,128
Gain on disposal of capital assets	-	-	-	-	5,252	5,252
Total general revenues	2,878,643	91,903	5,585,741	23,482	236,762	8,816,531
Change in net assets	3,684,094	(33,132)	103,980	(307,042)	6,463,954	9,911,854
Net assets, beginning of year, as restated	85,103,446	6,520,382	8,112,479	22,513,259	29,041,366	151,290,932
<b>Net assets, end of year</b>	\$ 88,787,540	\$ 6,487,250	\$ 8,216,459	\$ 22,206,217	\$ 35,505,320	\$ 161,202,786

The accompanying notes are an integral part of these financial statements.

**NOTES TO  
BASIC  
FINANCIAL  
STATEMENTS**

## COUNTY OF MONROE

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

#### NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Monroe County (the “County” or “government”) was organized in 1811 and covers an area of 560 square miles divided into 15 townships, 5 villages and 4 cities. The County seat is located in the City of Monroe. The County operates under an elected Board of Commissioners (9 members) and provides services to its more than 152,256 residents in many areas including law enforcement, administration of justice, community enrichment and development, and human services.

#### REPORTING ENTITY

As defined by generally accepted accounting principles established by the Government Accounting Standards Board, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit’s board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

The accompanying financial statements present Monroe County (the primary government) and its component units. The financial data of the component units are included in the County’s reporting entity because of the significance of their operational or financial relationships with the County.

#### BLENDED COMPONENT UNIT

Monroe County Building Authority - The Monroe County Building Authority was created under the provisions of Act 31, Public Acts of 1948 (Extra Session), as amended, and is governed by a five-member board appointed by the Monroe County Board of Commissioners. The purpose of the Authority is to finance, through tax-exempt bonds, the construction of public buildings for use by the County, with the bonds secured by a lease agreement with the County and retired through lease payments from the County. Although it is legally separate from the County, the Monroe County Building Authority is reported as if it were part of the primary government because its sole purpose is to finance the construction of and improvements to the County’s public buildings. As a result, the County has included in its financial statements the debt service and capital projects funds. Also, the County has incorporated the bond issues into its long-term debt and capital assets are included in governmental activities capital assets. A separate report is prepared for the Building Authority and may be obtained from its administrative offices at 125 East Second Street, Monroe, Michigan 48161.

#### DISCRETELY PRESENTED COMPONENT UNITS

Monroe County Library System - The Monroe County Library System operates under the provisions of Section 397.301 of the 1979 Compiled Laws and is governed by a five-member board appointed by the Monroe County Board of Commissioners. The purpose of the Monroe County Library System is to account for earmarked revenue from penal fines, a special millage set aside for library operations, and state grants earmarked to provide public library services. Complete financial statements that are separately audited may be obtained from the administrative office at Monroe County Library System, 3700 South Custer Road, Monroe, Michigan 48161.

Community Mental Health Authority - The Monroe County Community Mental Health Services Board was established in 1964 to provide mental health services to residents of Monroe County under the provisions of Act 54, Public Acts of 1963, as amended. The current provision is Act 258 Public Acts of 1974. The Monroe County Community Mental

## COUNTY OF MONROE

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

Health Services Board was an agency of the County of Monroe and served as a policy making board only. This status as an agency of the County of Monroe ended December 31, 1996. On January 1, 1997, the Monroe County Community Mental Health Services Board, with all its assets, debt obligations and personnel, became the Monroe County Community Mental Health Authority. Upon receiving certification by the Michigan Department of Community Health under Section 232a of the Michigan Mental Health Code and through a resolution adopted by the Monroe County Board of Commissioners on October 1, 1996, it became an authority. As an authority, the Monroe County Community Mental Health Authority has become an autonomous and distinct legal entity separate and apart from the County of Monroe.

The Monroe County Board of Commissioners has the authority to appoint the voting members of the Community Mental Health Authority, which governs the Authority. By law, the primary government (Monroe County) can remove appointed members of the component unit's (Community Mental Health Authority) governing body at will. The Authority is also accountable to the County of Monroe and may be terminated by a majority vote of either the Monroe County Board of Commissioners or the Monroe County Community Mental Health Authority Board of Directors. Complete financial statements that are separately audited may be obtained from the administrative office at Community Mental Health Authority, 1001 South Raisinville Road, Monroe, Michigan 48161.

County Agency – In 1968, the County of Monroe entered into a program of water supply and sanitary sewer facility construction under Act 342, Public Acts of 1939, as amended. Pursuant to this Act, the County Board of Commissioners appointed the Monroe County Drain Commissioner as the County Agency. The Drain Commissioner as County Agency may not issue debt or levy a special assessment except upon resolution adopted by the County Board of Commissioners. The County Agency manages water supply and sanitary sewer system construction projects of other separate legal units of government. The County pledges its full faith and credit for bonds to finance the projects, but title passes to the local unit when the debt is retired. In addition, the County Agency oversees debt retirement of bonded debt that was used to finance the construction projects that it has managed, and operates and maintains water supply and sanitary sewer systems for other local units of government as appointed by the Board of Commissioners. The County Agency also handles the billing and collection of utility bills when contracted to do so by local units of government. Complete financial statements that are separately audited may be obtained from the administrative office at Monroe County Drain Commissioner County Agency, 1005 South Raisinville Road, Monroe, Michigan 48161.

Monroe County Drain Commission – Each of the drainage districts established pursuant to the Drain Code of 1956 and included in the financial statements of the Monroe County Drain Commission are separate legal entities with the power to contract; to sue and be sued; and to hold, manage and dispose of real and personal property. The Statutory Drain Board consists of the Drain Commissioner, the Chair of the County Board of Commissioners, and one other member of the Board of Commissioners. The Drain Commissioner is responsible for the construction and maintenance of storm drains within the County. The County is financially accountable for the Drain Commission because the Board of Commissioners approves the budget for the Drain Commission. The full faith and credit of the County is often given for the long-term debt of the drainage districts. A separate report is not prepared for the Monroe County Drain Commission.

Monroe County Road Commission - The Monroe County Road Commission, which was established pursuant to the County Road Law (MCL 224.1), is governed by a three-member Board of County Road Commissioners appointed by the County Board of Commissioners. The Road Commission may not issue debt without the County's approval and any tax levy is subject to County Board of Commissioners approval. If approval is granted, the Road Commission's taxes are levied under the taxing authority of the County, as approved by the County electors, and would be included as part of the County's total tax levy as well as reported in the County Road Commission. Complete financial

## COUNTY OF MONROE

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

statements that are separately audited may be obtained from the administrative office at Monroe County Road Commission, 840 South Telegraph Road, Monroe, Michigan 48161.

Complete financial statements of the individual component units that are separately audited can be obtained from their respective administrative offices as noted above or the County Clerk's office at the courthouse, 125 East Second Street, Monroe, MI 48161.

Related disclosures for the County's component units have been incorporated into the notes to the basic financial statements and are referenced to the above mentioned component units when applicable.

#### Fiscal Year Ends Other than December 31, 2004

The financial information presented in this report is for the fiscal year ended December 31, 2004, except for the Community Mental Health Authority, which is for the fiscal year ended September 30, 2004.

#### GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1, the Delinquent Tax Revolving Fund pays the County for any outstanding taxes as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. So agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

## COUNTY OF MONROE

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available.

Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be *available* if they are collected within 60 days of the end of the current fiscal period, except for reimbursement-based grants that use one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

*General Fund* – This is the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*County Health Fund* – This fund is used to account for the activities of delivering an array of public health services to residents of the County. Monies are provided by federal, state, and county appropriations, contributions, and charges for services.

*Revenue Sharing Reserve Fund* – This fund is used to account for activities related to the establishment of a fund used to reserve current property tax collections that will supplement future year state revenue sharing payments.

*Interoperable Communications Equipment Fund* – This capital projects fund is used to account for activities related to the purchase and construction of new emergency and public safety communication systems within the County.

The County reports the following major proprietary fund:

*Delinquent Tax Revolving Fund* – This enterprise fund accounts for the County’s annual purchase of delinquent real property taxes from each of the local taxing units within the County and the ultimate collection from the property owners of the delinquent taxes with penalty and interest. The fund also accounts for the County’s issuance of debt when needed (to provide cash flow for the purchase of the taxes) and for the resulting debt service payments.

Additionally, the County reports the following fund types:

*Special Revenue Funds* - These funds account for revenue from specific revenue sources (other than major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

*Debt Service Fund* - This fund is used to record revenues which are restricted for the payment of principal and interest on debt recorded as long-term general obligation debt of the governmental funds.

*Capital Projects Fund* - This fund is used to account for nonmajor renovation/construction projects and the acquisition or construction of facilities other than those financed by proprietary fund operations.

## COUNTY OF MONROE

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

*Enterprise Funds* - These funds are the proprietary fund type and are used to report any activity for which a fee is charged to external users for goods or services.

*Internal Service Funds* – These funds account for operations that provide services (such as the County’s telephone system, self-insurance, and equipment purchases) to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

*Agency Funds* – These funds account for assets collected and held in a custodial capacity on behalf of outside parties and other governments, including fines, tax collections, fees, licenses and permits.

*Pension and other employee benefit trust funds* – These funds account for the activities of the Employees’ Retirement System and the Retirement Health Care employee benefit program for qualified employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the delinquent tax fund and of the government’s internal service funds are charges to customers for sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

### DEPOSITS AND INVESTMENTS

The government’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value, which is determined as follows: (a) short-term investments are reported at cost, which approximates fair value; (b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; (c) investments that do not have established market values are reported at estimated fair value; and (d) cash deposits are reported at carrying amounts which reasonably approximates fair value.

## COUNTY OF MONROE

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

Earnings from investments are allocated to various funds as required by federal regulations, state statutes, and local ordinances.

State statutes authorize the County to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments (except those with a fluctuating per share value).

#### RECEIVABLES AND PAYABLES

Transactions between funds that are representative of lending/borrowing arrangements and are outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

#### INVENTORIES AND PREPAID ITEMS

Inventories for the County Agency component unit are valued at cost, using the first-in first-out method. Inventories for the Road Commission component unit are priced at cost as determined using an average cost method. Inventory items are charged to road construction and maintenance, equipment repairs and operations, as used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The County establishes a reserve of fund balance for all prepaid items.

#### RESTRICTED ASSETS

Certain resources are classified as restricted assets on the statement of net assets because funds are set aside for debt retirement of general obligation bonds, construction, capital asset replacement, vehicles, necessary building improvement requirements, and general liability claims.

#### CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, drains, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For the County, infrastructure exists in the Drain Commissioner and Road Commission component units. The capitalization threshold for infrastructure is \$25,000. Only infrastructure assets acquired subsequent to 1980 have been reported. Capital assets other than infrastructure assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value as of the donation date. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

## COUNTY OF MONROE

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

The Monroe County Library System has library collections which consist of books, video materials, and recordings. The collections are recorded based on a year-end inventory. The value of the inventory is recorded using an average cost of ten dollars per unit. The Library has a collection of artwork presented for public exhibition and education. The items in the collection are pieces of artwork that have won art shows or have won the library award. These pieces of artwork are available for loan to the public. As permitted by generally accepted accounting principles, the collection is not capitalized or depreciated as part of capital assets because it is difficult to assign value to these items.

Depreciation on the capital assets (including infrastructure) of the primary government, as well as the component units, is computed using the straight-line or sum-of-the-years digits method over the following estimated useful lives:

<u>ASSETS</u>	<u>YEARS</u>
Buildings	30 - 50
Building improvements	20
Machinery and equipment	5 - 10
Vehicles	5 - 7
Public domain infrastructure	8 - 50

Provisions for depreciation in these funds are computed at rates designed to amortize the cost of the assets over their estimated useful lives.

#### DEFERRED/UNEARNED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period and for resources that have been received, but not yet earned. In the government-wide financial statements, unearned revenue includes only amounts for resources that have been received but not yet earned. For the year ended December 31, 2004, each item reported as deferred revenue is also considered to be unearned revenue.

#### LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund type statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### COMPENSATED ABSENCES

The County has an accrued liability to its employees for accumulated vested vacation benefits. The County's employment policy provides that vacation days can be carried over one additional year from the end of the calendar year in which they are earned. Vacation days are forfeited if they are not taken within the two-year period. The County's policy is to record the liability for vacations and accrued wages and fringes in the financial statements of the

## COUNTY OF MONROE

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

Compensated Absences Fund, an internal service fund. This policy applies to all County employees except the Road Commission employees.

The County's employment policy for sick leave calls for yearly payout of one-half of the unused balance. The remaining one-half does not accumulate. This liability requires payment in the second payroll of the subsequent fiscal year and is accrued at year end.

#### FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

#### NOTE B - BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted by the County Board of Commissioners for the general and special revenue funds. The budget basis of accounting does not differ significantly from the modified accrual basis used to reflect the actual revenues and expenditures for these funds. All annual appropriations lapse at fiscal year end.

The appropriated budget is prepared by fund, function, and department. The Board of Commissioners holds a public hearing and a final budget is adopted prior to December 31 and presented in a separate document. The County's department heads may make transfers of appropriations within a department, with the exception of a personnel services object. Transfers of appropriations between a personnel and non-personnel services object require prior approval of the Board of Commissioners. Transfers of appropriations between departments also require the approval of the Board. The level of budgetary control is the department level for the general fund and fund level for special revenue funds. The Finance Officer is authorized to transfer budget amounts, with the exception of personnel services, and to make authorized amendments to the original approved budget.

The Board of Commissioners made several supplemental budgetary appropriations throughout the year, including a net increase of \$1,129,158 in the general fund budget and net increases of \$2,654,561 in the special revenue funds. The general fund net increases were due primarily to additional grant activity, additional capital outlay, and public improvement items. The special revenue fund increases were for similar reasons as the general fund and also included a \$1,800,000 increase related to the establishment of the Revenue Sharing Reserve Fund during the year.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances are recorded at the time that the purchase orders and contracts are issued. The encumbrances are liquidated when the goods or services are received. Encumbrances outstanding at December 31, 2004 do not lapse but are reserved within the fund balance and brought forward to the new fiscal year.

#### NOTE C – DEPOSITS, INVESTMENTS AND SECURITIES LENDING

Michigan Compiled Laws, Section 129.91, authorizes Monroe County to invest in accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Monroe County Board of Commissioners has designated six banks for the deposit of County funds. The investment policy adopted by the Board is in substantial compliance with Act 196 of PA 1997 which authorizes investments as listed above. Also, during the year ended December 31, 2004, to its knowledge, the County did not hold any derivative financial instruments directly or indirectly through mutual fund investments.

*Summary of Deposit and Investment Balances* – Following is a reconciliation of deposit and investment balances as of December 31, 2004:

	Primary Government	Component Units	Total
Statement of Net Assets:			
Cash and cash equivalents	\$ 17,256,758	\$ 22,920,301	\$40,177,059
Investments	10,020,000	-	10,020,000
Restricted cash and cash equivalents	249,652	10,210,181	10,459,833
Statement of Fiduciary Net Assets:			
Cash and cash equivalents	3,173,598	-	3,173,598
Investments	<u>167,093,322</u>	<u>-</u>	<u>167,093,322</u>
Total	<u>\$197,793,330</u>	<u>\$33,130,482</u>	<u>\$230,923,812</u>
Deposit and Investments:			
Bank deposits (checking, and savings accounts, and certificates of deposit)			\$ 53,801,037
Investments in securities, mutual funds and similar vehicles			177,113,322
Cash on hand			<u>9,453</u>
Total			<u>\$230,923,812</u>

*Deposits:* At year end, the carrying amount of deposits was \$53,801,037. The bank balance was \$56,534,234. Of the bank balance \$1,609,900 was covered by federal depository insurance. The remaining balance of \$54,924,334 was uninsured and uncollateralized.

The County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits County funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

*Investments and Securities Lending:* The County's investments have been classified into the following three categories of credit risk: Category 1, insured or registered, or securities held by Monroe County or its agent in the County's name; Category 2, uninsured and unregistered, with securities held by the counterparty's trust department in the

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

County's name; or Category 3, uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the name of the County.

The following schedule classified the County's investments as of December 31, 2004, into the above noted categories:

	<u>Category</u>			<u>Uncategorized</u>	Carrying Amount (Fair Value)
	(1)	(2)	(3)		
U.S. government securities:					
Not on securities loan	\$ -	\$25,015,789	\$ -	\$ -	\$ 25,015,789
On securities loan	-	9,498,109	-	-	9,498,109
Corporate bonds:					
Not on securities loan	-	4,542,773	-	-	4,542,773
On securities loan	-	2,812,093	-	-	2,812,093
Corporate stocks:					
Not on securities loan	-	97,515,140	-	-	97,515,140
On securities loan	-	10,126,049	-	-	10,126,049
International stocks		<u>13,233,565</u>	<u>-</u>	-	13,233,565
	=				
Total categorized investments	<u>\$ -</u>	<u>\$162,743,518</u>	<u>\$ -</u>		
Mutual and cash management funds				<u>14,369,804</u>	<u>14,369,804</u>
Total investments					<u>\$177,113,322</u>

A contract approved by the Monroe County Retirement System permits the System to lend its securities to broker-dealers and banks (borrowers) for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives cash as collateral. The collateral securities cannot be pledged or sold by the System unless the borrower defaults. Collateral cash is initially pledged at 100 percent of the fair value of the securities lent, and may not fall below 100 percent during the term of the loan. There are no restrictions on the amount of securities that can be loaned.

Securities on loan at year-end are classified in the preceding schedule of custodial credit risk according to the category for the collateral received on the securities lent. At year-end, the System has no credit risk exposure to borrowers because the amounts the System owes the borrowers exceed the amounts the borrowers owe the System. The contract with the System's custodian requires it to indemnify the System if the Borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities' issuers while the securities are on loan.

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

### NOTE D – RECEIVABLES

Receivables in the governmental activities are as follows:

Accounts	\$ 104,605
Current taxes	37,997,343
Other agencies and governments	<u>2,846,422</u>
	<u>\$40,948,370</u>

Receivables for the business-type activities are composed entirely of amounts due from taxpayers for delinquent taxes and related interest and collections fees.

### NOTE E - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2004, is as follows:

	<u>Receivable</u>	<u>Payable</u>
<u>Due to/from other funds</u>		
General fund	\$ 1,638,728	\$1,227,907
County health fund	-	69,997
Revenue sharing reserve fund	-	1,638,728
Nonmajor governmental funds	507,500	779,364
Nonmajor enterprise funds	-	15,472
Internal service funds	<u>1,585,240</u>	<u>-</u>
Total	<u>\$ 3,731,468</u>	<u>\$3,731,468</u>
<u>Advances to/from other funds</u>		
General fund	\$225,000	\$ -
Nonmajor governmental fund	357,017	75,000
Internal service funds	<u>-</u>	<u>507,017</u>
Total	<u>\$582,017</u>	<u>\$582,017</u>
<u>Due to/from primary government and component units</u>		
Primary government - nonmajor enterprise fund	\$67,973	\$ -
Component unit - Drain Commission	<u>-</u>	<u>67,973</u>
Total	<u>\$67,973</u>	<u>\$67,973</u>
<u>Advances to/from primary government and component units</u>		
Primary government - General fund	\$600,000	\$ -
Component unit - Drain Commission	<u>-</u>	<u>600,000</u>
Total	<u>\$600,000</u>	<u>\$600,000</u>

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

The County reports interfund balances between many of its funds. The sum of all balances presented in the tables above agrees with the sum of interfund balances presented in the basic financial statements. These interfund balances resulted primarily from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

A summary of interfund transfers for the year ended December 31, 2004 is as follows:

<u>Transfers out:</u>	<u>General Fund</u>	<u>County Health Fund</u>	<u>Transfers in: Nonmajor Governmental Funds</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
General fund	\$ -	\$1,273,896	\$6,132,425	\$14,117	\$ 7,420,438
County health fund	-	-	80,625	-	80,625
Revenue sharing reserve fund	1,638,728	-	-	-	1,638,728
Nonmajor governmental funds	138,969	-	673,795	-	812,764
Delinquent tax revolving fund	550,000	-	595,000	-	1,145,000
Internal service funds	<u>640,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>640,000</u>
Total	<u>\$2,967,697</u>	<u>\$1,273,896</u>	<u>\$7,481,845</u>	<u>\$14,117</u>	<u>\$11,737,555</u>

Transfers are used to: (1) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (3) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due.

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2004

### NOTE F - CAPITAL ASSETS

#### Primary Government

Capital asset activity of the primary government for the year ended December 31, 2004 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 105,000	\$ -	\$ -	\$ 105,000
Construction in progress	40,902	625,626	6,000	660,528
Total capital assets, not being depreciated	<u>145,902</u>	<u>625,626</u>	<u>6,000</u>	<u>765,528</u>
Capital assets, being depreciated:				
Land improvements	498,137	22,000	-	520,137
Buildings and improvements	48,791,423	90,270	-	48,881,693
Machinery and equipment	6,125,722	7,047,979	1,908,114	11,265,587
Vehicular equipment	<u>1,991,451</u>	<u>293,917</u>	<u>256,453</u>	<u>2,028,915</u>
Total capital assets being depreciated	<u>57,406,733</u>	<u>7,454,166</u>	<u>2,164,567</u>	<u>62,696,332</u>
Less accumulated depreciation for:				
Land improvements	267,485	28,762	-	296,247
Buildings and improvements	27,002,980	1,315,085	-	28,318,065
Machinery and equipment	3,845,241	780,576	1,908,114	2,717,703
Vehicular equipment	<u>1,164,437</u>	<u>281,402</u>	<u>182,915</u>	<u>1,262,924</u>
Total accumulated depreciation	<u>32,280,143</u>	<u>2,405,825</u>	<u>2,091,029</u>	<u>32,594,939</u>
Total capital assets being depreciated, net	<u>25,126,590</u>	<u>5,048,341</u>	<u>73,538</u>	<u>30,101,393</u>
Governmental activities capital assets, net	<u>\$25,272,492</u>	<u>\$5,673,967</u>	<u>\$ 79,538</u>	<u>\$30,866,921</u>
Business-type activities:				
Capital assets, being depreciated -				
Machinery and equipment	\$ 352,927	\$ -	\$ -	\$ 352,927
Less accumulated depreciation for -				
Machinery and equipment	<u>278,882</u>	<u>25,212</u>	<u>-</u>	<u>304,094</u>
Business-type activities capital assets, net	<u>\$ 74,045</u>	<u>\$ 25,212</u>	<u>\$ -</u>	<u>\$ 48,833</u>

Depreciation expense was charged to functions or programs of the primary government as follows:

Governmental activities:	
General government	\$ 951,540
Public safety	1,109,636
Health and welfare	155,823
Recreation and culture	131,007
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>57,819</u>
Total depreciation expense-governmental activities	<u>\$2,405,825</u>

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

### Discretely Presented Component Units

Capital asset activity for the discretely presented component units for fiscal 2004 was as follows:

#### Monroe County Road Commission

	Beginning Balance	Restatement and Reclassifications	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 731,812	\$ -	\$ -	\$ -	\$ 731,812
Land improvements - infrastructure	<u>9,720,312</u>	<u>109,697</u>	<u>1,499,500</u>	<u>-</u>	<u>11,329,509</u>
	<u>10,452,124</u>	<u>109,697</u>	<u>1,499,500</u>	<u>-</u>	<u>12,061,321</u>
Capital assets, being depreciated:					
Land improvements	131,439	-	9,879	-	141,318
Buildings and improvements	4,060,700	-	112,435	-	4,173,135
Road equipment	8,420,583	-	215,396	286,534	8,349,445
Shop equipment	222,723	-	9,953	-	232,676
Office equipment	928,655	-	50,900	-	979,555
Engineers' equipment	74,714	-	-	-	74,714
Yard and storage	843,398	-	667,585	147,129	1,363,854
Infrastructure	<u>114,789,457</u>	<u>(109,697)</u>	<u>16,110,104</u>	<u>-</u>	<u>130,789,864</u>
	<u>129,471,669</u>	<u>(109,697)</u>	<u>17,176,252</u>	<u>433,663</u>	<u>146,104,561</u>
Less accumulated depreciation for:					
Land improvements	37,693	-	9,973	-	47,666
Buildings	1,324,784	-	189,090	-	1,513,874
Equipment	7,681,557	-	873,027	390,286	8,164,298
Infrastructure	<u>47,339,907</u>	<u>-</u>	<u>11,410,901</u>	<u>-</u>	<u>58,750,808</u>
Total accumulated depreciation	<u>56,383,941</u>	<u>-</u>	<u>12,482,991</u>	<u>390,286</u>	<u>68,476,646</u>
Total capital assets being depreciated-net	<u>73,087,728</u>	<u>(109,697)</u>	<u>4,693,261</u>	<u>43,377</u>	<u>77,627,915</u>
Road Commission capital assets - net	<u>\$ 83,539,852</u>	<u>\$ -</u>	<u>\$ 6,192,761</u>	<u>\$ 43,377</u>	<u>\$ 89,689,236</u>

#### Community Mental Health Authority

	Beginning Balance	Increases	Decreases	Beginning Balance
Capital assets, not being depreciated:				
Land	\$ 54,000	\$ -	\$ -	\$ 54,000
Capital assets, being depreciated:				
Building and improvements	692,832	-	-	692,832
Equipment and furnishings	751,028	16,691	-	767,719
Vehicular equipment	752,941	-	-	752,941
Capital lease obligations	<u>-</u>	<u>29,831</u>	<u>-</u>	<u>29,831</u>
Total capital assets being depreciated	2,196,801	46,522	-	2,243,323
Less accumulated depreciation	<u>1,232,239</u>	<u>181,841</u>	<u>-</u>	<u>1,414,080</u>
Capital assets being depreciated, net	<u>964,562</u>	<u>(135,319)</u>	<u>-</u>	<u>829,243</u>
Community Mental Health capital assets, net	<u>\$1,018,562</u>	<u>\$(135,319)</u>	<u>\$ -</u>	<u>\$ 883,243</u>

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2004

### Monroe County Library System

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Library collections	\$ 4,856,100	\$ 626,533	\$660,473	\$ 4,822,160
Construction in progress	<u>185,902</u>	<u>143,576</u>	<u>329,478</u>	<u>-</u>
Total assets not being depreciated	<u>5,042,002</u>	<u>770,109</u>	<u>989,951</u>	<u>4,822,160</u>
Capital assets, being depreciated:				
Building improvements	-	329,478	-	329,478
Equipment and fixtures	545,743	217,551	-	763,294
Vehicular equipment	<u>84,630</u>	<u>23,663</u>	<u>17,156</u>	<u>91,137</u>
Total capital assets being depreciated	630,373	570,692	17,156	1,183,909
Less accumulated depreciation	<u>347,405</u>	<u>127,109</u>	<u>17,156</u>	<u>457,358</u>
Capital assets being depreciated, net	<u>282,968</u>	<u>443,583</u>	<u>-</u>	<u>726,551</u>
Monroe County Library System capital assets, net	<u>\$5,324,970</u>	<u>\$ 1,213,692</u>	<u>\$989,951</u>	<u>\$5,548,711</u>

### Monroe County Drain Commission

	<u>Beginning Balance</u>	<u>Restatement and Reclassifications</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:					
Land improvements - infrastructure	\$ -	\$28,473,182	\$ -	\$ -	\$ 28,473,182
Less accumulated depreciation for:					
Land improvements - infrastructure	<u>-</u>	<u>7,997,913</u>	<u>423,478</u>	<u>-</u>	<u>8,421,391</u>
Drain Commission capital assets - net	<u>\$ -</u>	<u>\$ 20,475,269</u>	<u>\$ 423,478</u>	<u>\$ -</u>	<u>\$20,051,791</u>

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

### County Agency

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental activities:				
Capital assets, being depreciated:				
Building and building improvements	\$ 208,821	\$ -	\$ -	\$ 208,821
Equipment	221,557	5,243	35,960	190,840
Vehicles	<u>424,260</u>	<u>33,880</u>	<u>14,000</u>	<u>444,140</u>
	854,638	39,123	49,960	843,801
Less accumulated depreciation	<u>745,450</u>	<u>52,360</u>	<u>49,960</u>	<u>747,850</u>
Governmental activities capital assets, net	<u>109,188</u>	<u>(13,237)</u>	<u>-</u>	<u>95,951</u>
Business-type activities:				
Construction in process	333,336	539,045	400,924	471,457
Land and rights of way	172,557	-	-	172,557
Utility plant in service	23,914,751	400,924	-	24,315,675
Building and building improvements	390,871	5,665	-	390,871
Equipment	231,794	30,989	47,952	214,831
Vehicles	<u>310,768</u>	<u>30,821</u>	<u>20,490</u>	<u>321,099</u>
	25,354,077	1,001,779	469,366	25,886,490
Less accumulated depreciation	<u>7,924,564</u>	<u>470,050</u>	<u>68,443</u>	<u>8,326,171</u>
Business-type activities capital assets, net	<u>17,429,513</u>	<u>531,729</u>	<u>400,923</u>	<u>17,560,319</u>
County Agency capital assets, net	<u>\$17,538,701</u>	<u>\$518,492</u>	<u>\$400,923</u>	<u>\$17,656,270</u>

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

### NOTE G - LONG-TERM DEBT

A summary of County long-term debt activity is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Monroe County Building Authority 1990 General Obligation Limited Tax Bonds, maturing serially through 2006 in annual amounts ranging from \$50,000 to \$175,000, at interest rates ranging from 6.5 percent to 9.0 percent.	\$500,000	\$ -	\$150,000	\$350,000	\$175,000
Monroe County Building Authority 1991 Refunding General Obligation Limited Tax Bonds, maturing serially through 2005 in annual amounts ranging from \$25,000 to \$260,000, at interest rates ranging from 5.1 percent to 9.0 percent.	425,000	-	425,000	-	-
Monroe County Building Authority 1994 Refunding General Obligation Unlimited Tax Bonds, maturing serially through 2006 in annual amounts ranging from \$415,000 to \$610,000, at interest rates ranging from 3.0 percent to 5.0 percent.	1,785,000	-	580,000	1,205,000	595,000
Monroe County Building Authority 1998 General Obligation Limited Tax Bonds, maturing serially through 2008 in annual amounts ranging from \$125,000 to \$250,000, at interest rates ranging from 3.8 percent to 4.5 percent.	1,100,000	-	200,000	900,000	200,000
Monroe County Building Authority 1998B General Obligation Limited Tax Bonds, maturing serially through 2018 in annual amounts ranging from \$240,000 to \$600,000, at interest rates ranging from 4.0 percent to 6.0 percent.	<u>6,420,000</u>	<u>-</u>	<u>300,000</u>	<u>6,120,000</u>	<u>310,000</u>
Subtotal	10,230,000	-	1,655,000	8,575,000	1,280,000
Installment loan agreement payable to LaSalle Bank owned by ABN-AMRO Bank N.V. for interoperable communications equipment for public safety agencies, dated July 24, 2004 for 60 months at \$361,349.70 semi-annually, and interest rate of 3.71 percent.	-	3,300,000	330,061	2,969,939	618,196
Total General County Long-Term Debt	<u>\$10,230,000</u>	<u>\$3,300,000</u>	<u>\$1,985,061</u>	<u>\$11,544,939</u>	<u>\$1,898,196</u>

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

Annual debt service requirements to maturity for general obligation bonds and notes are as follows:

Year <u>Due</u>	1990 Issue		1994 Issue*	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$175,000	\$17,063	\$595,000	\$ 45,375
2006	<u>175,000</u>	<u>5,688</u>	<u>610,000</u>	<u>15,250</u>
Total	<u>\$350,000</u>	<u>\$22,751</u>	<u>\$1,205,000</u>	<u>\$ 60,625</u>

Year <u>Due</u>	1998 Issue		1998B Issue	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$200,000	\$35,525	\$310,000	\$259,140
2006	200,000	26,775	325,000	240,090
2007	250,000	16,812	340,000	220,141
2008	250,000	5,625	360,000	200,670
2009	-	-	375,000	183,900
2010-2014	-	-	2,190,000	672,000
2015-2018	<u>-</u>	<u>-</u>	<u>2,220,000</u>	<u>183,600</u>
Total	<u>\$900,000</u>	<u>\$84,737</u>	<u>\$6,120,000</u>	<u>\$1,959,541</u>

Year <u>Due</u>	<u>Annual Total</u>		<u>2004 Loan Annual Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$1,280,000	\$357,103	\$618,196	\$104,503
2006	1,310,000	287,803	641,343	81,356
2007	590,000	236,953	665,358	57,341
2008	610,000	206,295	690,272	32,427
2009	375,000	183,900	354,770	6,581
2010-2014	2,190,000	672,000	-	-
2015-2018	<u>2,220,000</u>	<u>183,600</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 8,575,000</u>	<u>\$2,127,654</u>	<u>\$ 2,969,939</u>	<u>\$282,2080</u>

\*The City of Monroe has agreed, through contractual agreement, to pay 6.49 percent of the 1994 Bond Issue principal and interest which financed the Adult Detention and Law Enforcement Center.

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2004

### Drain Commission Component Unit

The debt of the Drain Commission component unit is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Reed Tile Drainage District Notes dated August 26, 1994, maturing serially through 2004 in annual amounts ranging from \$16,696 to \$24,507 and at an interest rate of 5.65 percent.	\$ 24,358	\$ -	\$24,358	\$ -	\$ -
Big Swan Creek Inter-county Drainage District Notes, Series 1995B, dated October 5, 1995, maturing serially through 2005 in annual amounts of \$9,200 and at an interest rate of 4.95 percent. The Inter-county Drainage District is located in the Counties of Monroe, Washtenaw, and Wayne with Monroe County's portion being 100 percent of the principal and interest requirements for this issue.	18,400	-	9,200	9,200	9,200
Monroe Consolidated Drainage District Bonds dated June 1, 1996, maturing serially through 2016 in annual amounts ranging from \$30,000 to \$115,000 and at interest rates ranging from 5.4 percent to 6.0 percent. The County is obligated if special assessments levied against benefiting entities are insufficient to meet principal and interest requirements when due. Outstanding special assessments at December 31, 2004 was \$10,675.	1,055,000	-	55,000	1,000,000	55,000
2000 Drainage District Notes Payable	17,500	-	17,500	-	-
2002 Drainage District Notes Payable	40,666	-	20,333	20,333	20,333
2003 Drainage District Notes Payable	190,000	-	147,600	42,400	10,600
2004 Drainage District Notes Payable	<u>-</u>	<u>427,000</u>	<u>-</u>	<u>427,000</u>	<u>363,500</u>
Total Drain Commission Component Unit Long-Term Debt	<u>\$1,345,924</u>	<u>\$ 427,000</u>	<u>\$273,991</u>	<u>\$1,498,933</u>	<u>\$458,633</u>

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

Annual debt service requirements to maturity for Drain Commission bonds and notes are as follows:

Year	Monroe Consolidated		Big Swan Creek Drain-B		2004 Drainage District Notes	
<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 55,000	\$56,866	\$9,200	\$455	\$363,500	\$6,780
2006	60,000	53,731	-	-	63,500	1,326
2007	65,000	50,261	-	-	-	-
2008	70,000	46,446	-	-	-	-
2009	75,000	42,257	-	-	-	-
2010-2014	450,000	137,096	-	-	-	-
2015-2016	<u>225,000</u>	<u>13,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$1,000,000</u>	<u>\$400,307</u>	<u>\$9,200</u>	<u>\$455</u>	<u>\$427,000</u>	<u>\$8,106</u>

Year	2002 Drainage District Notes		2003 Drainage District Notes	
<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 20,333	\$ 599	\$10,600	\$ 1,200
2006	-	-	10,600	900
2007	-	-	10,600	600
2008	<u>-</u>	<u>-</u>	<u>10,600</u>	<u>301</u>
Total	<u>\$ 20,333</u>	<u>\$ 599</u>	<u>\$42,400</u>	<u>\$3,001</u>

Year	<u>Annual Total</u>	
<u>Due</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 458,633	\$65,900
2006	134,100	55,957
2007	75,600	50,861
2008	80,600	46,747
2009	75,000	42,257
2010-2014	450,000	137,096
2015-2016	<u>225,000</u>	<u>13,650</u>
Total	<u>\$1,498,933</u>	<u>\$412,468</u>

The Townships of Bedford, LaSalle and Frenchtown have pledged their full faith and credit to pay the principal and interest on these bonds.

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

### County Agency Component Unit

The County has issued general obligation bonds for various waterworks and sewage disposal systems under Act 342, P.A. 1939, as amended. These bonds are supported by a pledge of the County's full faith and credit as well as by the various local units which make payments through contractual agreements with the County to meet the principal and interest of these bonds, but title will pass to the local unit when the debt is retired.

The following is a summary of changes in long-term debt:

	Enterprise <u>Fund</u>	Governmental <u>Activities</u>	<u>Totals</u>
Long-term debt at January 1, 2004	\$560,000	\$45,858,573	\$46,418,573
New bonds issued	-	10,540,510	10,540,510
Bonds and contracts retired or called	<u>(140,000)</u>	<u>(3,460,000)</u>	<u>(3,600,000)</u>
Long-term debt at December 31, 2004	<u>\$ 420,000</u>	<u>\$52,939,083</u>	<u>\$53,359,083</u>
Due within one year	<u>\$138,550</u>	<u>\$3,315,000</u>	<u>\$ 3,453,550</u>

Long-term debt on the component unit statement of net assets includes \$3,000 of unamortized bond discount.

The annual requirements to pay principal and interest on the long-term debt outstanding at December 31, 2004, excluding compensated absences, are as follows:

<u>Year Due</u>	<u>Principal</u>	<u>Enterprise Fund Interest</u>	<u>Total</u>
2005	\$140,000	\$20,265	\$160,265
2006	140,000	13,545	153,545
2007	<u>140,000</u>	<u>6,825</u>	<u>146,825</u>
	<u>\$420,000</u>	<u>\$40,635</u>	<u>\$460,635</u>

	<u>Governmental Activities</u>		
<u>Year Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2005	\$3,315,000	\$2,224,717	\$5,539,717
2006	3,775,000	2,045,553	5,820,553
2007	3,930,000	1,886,493	5,816,493
2008	3,850,000	1,717,508	5,567,508
2009	3,685,000	1,553,215	5,238,215
2010 to 2014	15,375,000	5,407,349	20,782,349
2015 to 2019	9,905,000	3,070,478	12,975,478
2020 to 2024	6,984,083	1,235,731	8,219,814
2025 to 2029	<u>2,120,000</u>	<u>209,782</u>	<u>2,329,782</u>
	<u>\$52,939,083</u>	<u>\$19,350,826</u>	<u>\$72,289,909</u>

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2004

### Road Commission Component Unit

The debt of the Road Commission is summarized as follows:

	Beginning			Ending	Due within
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Bonds payable	\$5,360,000	\$ -	\$915,000	\$4,445,000	\$525,000
Premium for bond issuance	29,150	-	3,239	25,911	-
Installment lease purchase agreement	534,539	-	64,170	470,369	66,737
Compensated absences	<u>540,647</u>	<u>1,088</u>	<u>-</u>	<u>541,735</u>	<u>33,000</u>
Totals Road Commission	<u>\$6,464,336</u>	<u>\$1,088</u>	<u>\$982,409</u>	<u>\$5,483,015</u>	<u>\$624,737</u>

Bonds payable include the following:

Michigan Transportation Fund Bonds, Series 1999, dated May 1, 1999, in the amount of \$2,400,000, plus interest at 4.2% to 5%, with a balance due of \$1,645,000 at December 31, 2004.

Michigan Transportation Fund Bonds, Series 2002, dated July 1, 2002 in the amount of \$3,500,000, payable in annual installments of \$350,000, plus interest at 2.75% to 4%, with a balance due of \$2,800,000 at December 31, 2004.

Installment lease purchase agreements consists of a multi-equipment obligation including 2 Cat Loaders and 2 Cat Graders. Annual payments including interest of 4% range from \$64,170 to \$262,044 with the last payment due January 15, 2008.

Annual debt service requirements to maturity for the lease purchase agreements and bonds are as follows:

Year Ending <u>December 31,</u>	<u>Installment Lease</u>		<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$66,737	\$18,870	\$525,000	\$175,998
2006	69,405	16,202	530,000	157,598
2007	72,183	13,424	540,000	137,897
2008	262,044	10,538	550,000	117,210
2009	-	-	560,000	94,882
2010-2012	<u>-</u>	<u>-</u>	<u>1,740,000</u>	<u>136,656</u>
	<u>\$470,369</u>	<u>\$59,034</u>	<u>\$4,445,000</u>	<u>\$820,241</u>

## COUNTY OF MONROE

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

#### NOTE H - PENSION PLAN

##### Plan Description

The Monroe County Employees Retirement Plan (the plan) is a single-employer defined benefit pension plan administered by the Monroe County Employees Retirement System Board of Trustees (the Board). The plan covers substantially all full-time employees of the County and discretely presented component units. The plan was adopted and established by Monroe County in accordance with Michigan Compiled Laws, Section 46.12a.

The plan provides retirement, deferred allowance, disability and death benefits to plan members and their beneficiaries in accordance with the County's retirement plan ordinance. The plan also provides retiree health care benefits to the employees of the Monroe County Library. All other covered employees receive retiree health care benefits through a separate plan (See Note I). Benefit provisions are established and may be amended by the Board.

The Monroe County Employees Retirement System's financial statements are included in the financial statements of Monroe County as a pension trust fund. A separate, publicly available financial report that includes financial statements and required supplementary information is also issued. That report may be obtained by writing to the Monroe County Employees Retirement System, 125 East Second Street, Monroe, Michigan 48161-2197.

##### Basis of Accounting

The Monroe County Employees Retirement System's financial statements are prepared using the accrual basis of accounting in accordance with Governmental Accounting Standards Board (GASB) Statement No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and Statement No. 26, "Financial Reporting for Postemployment Health Care Plan Administered by Defined Benefit Pension Plans." Plan contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contribution. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

##### Method Used to Value Investments

Plan investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

##### Funding Policy

Plan employers (General County, Monroe County Library, Monroe County Road Commission, Monroe County Drain Commission, County Agency, and Monroe County Mental Health Authority) are required to make periodic contributions that are expressed as percentages of their annual covered payrolls. These contributions are determined as part of an actuarial valuation, using the entry age normal cost method, and are designed to accumulate sufficient assets to pay benefits when due. Normal cost is funded on a current basis. Unfunded and overfunded actuarial accrued liabilities are being amortized as a level percent of payroll over periods ranging from 7 to 15 years depending on plan employer. Significant actuarial assumptions used include (a) a 7.0 percent investment rate of return, (b) projected salary increases ranging from 5.0 percent to 12.0 percent per year, and (c) no cost of living adjustments other than 4.5 percent for certain County Road Commission members. Both (a) and (b) include an inflation component of 4.0 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a five-year period.

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

Plan members may also be required to contribute up to 5.0 percent of their covered salary, depending on the bargaining unit. Employees of the Monroe County Road Commission contribute 3.1 percent of their annual earnings. Employees of the Sheriff (consisting of deputies, command officers, jail and corrections officers) and Central Dispatch departments contribute 3.0 percent of the first \$7,800 in earnings and 5.0 percent of all earnings thereafter. All other General County employees, along with the employees of the Library System, Drain Commission, County Agency and Mental Health Authority, are not required to contribute.

The funding requirements for the Monroe County Employees Retirement Plan are established and may be amended by the Monroe County Employees Retirement System Board of Trustees.

### Annual Pension Cost

For the year ended December 31, 2004, contributions, with the rate of annual covered payroll by class of employee, were made as follows (based on actuarial valuation as of December 31, 2002):

#### Employer Contributions:

General County – Central Dispatch	\$ 132,130	14.62%
General County – Sheriff	750,294	8.54%
General County – Other	207,093	1.60%
Monroe County Road Commission	<u>321,520</u>	6.72%
	<u>\$ 1,411,037</u>	

#### Employee Contributions (includes purchase of service time):

General County – Sheriff	\$ 134,027
General County – Central Dispatch	11,065
General County – County Agency	2,466
General County – Other	10,900
Monroe County Library System	3,290
Monroe County Road Commission	<u>148,538</u>
	<u>\$ 310,286</u>

### Three-Year Trend Information

<u>Year Ended December 31,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>
2002	\$ 155,524	100%
2003	191,979	100%
2004	1,411,037	100%

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2004

### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/01	\$150,304,504	\$116,359,159	\$(33,945,345)	129.2%	\$35,250,392	-96.3%
12/31/02	148,404,995	125,652,447	(22,752,548)	118.1%	35,895,185	-63.4%
12/31/03	162,683,115	139,141,015	(23,542,100)	116.9%	37,862,618	-62.2%

Note: Values take into account all System benefits except retiree health care benefits.

### NOTE I - POSTEMPLOYMENT BENEFITS

Monroe County provides certain postemployment health care benefits and a \$4,000 term-life insurance policy, in accordance with labor contracts and personnel policies, to all employees who retire from the County. Full medical benefits are provided to retired employees and to employee's spouses on a pro rata basis based on years of service for employees. To qualify, an employee must meet the requirements for retirement benefits pursuant to the Monroe County Employees Retirement System. Certain Sheriff Department union agreements provide that employees with 25 service years may retire at age 50 at which time these benefits would be provided. When the retired employee attains the age of 65 years, the Employer's contribution is supplementary to Medicare Part B. "Retirees," as specified, include all County retirees except Road Commission employees. Effective October 28, 2003, newly hired employees are not eligible for retirement health care.

The County's accounting for postemployment health insurance is maintained as a separate other employee benefit trust fund. Funding for the related expenditures is allocated from all County funds that incur payroll costs. The funding level is approximately 15.60 percent of the total payroll. This percent was actuarially derived and designed to fund retirement health insurance on a pay-as-you-go basis. As of December 31, 2003, the actuarially computed unfunded accrued liability was \$45,435,204.

As of December 31, 2004, 283 retirees meet the requirements and were receiving the 100 percent premium-coverage benefit. In addition, 23 retirees were contributing to their health care premiums. The County finances the plan on a pay-as-you go basis. For the year ended December 31, 2004, expenditures of \$1,903,845 were recognized for postemployment health care.

The Road Commission provides postemployment health and life insurance benefits, in accordance with labor contracts and personnel policies to all employees who retire under the provisions of the contract. Currently, 78 retirees met those eligibility requirements. Expenditures for postemployment health care benefits are recognized when insurance premiums are paid. Premiums paid by the Road Commission in 2004 totaled \$657,814, less \$41,400 reimbursed by the retirants for a net total cost of \$616,414.

## COUNTY OF MONROE

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

#### NOTE J--RISK MANAGEMENT

Monroe County and its component units are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County has self-insurance plans for workers' compensation, unemployment, dental care, health care, and disability coverage. Each participating fund of the County makes payments to the respective internal service fund equal to an established percentage of gross salaries for that fund. These payments are accounted for as other employee benefits in the paying fund and charges for services in the receiving fund. The County has established liabilities for incurred but not reported claims (IBNR) in the worker's compensation, health care, dental care, unemployment, and long-term disability funds. Historical data was used as a basis for the development of the IBNR liabilities.

In 2004, there were no significant reductions in insurance coverage from coverage in the prior year by major categories of risk. Also, there have been no settlements that exceeded insurance coverage during each of the past three fiscal years. There were changes in procedures for estimating the incurred but not reported claims for worker's compensation, health care, dental care, and general liability self-insurance.

#### Worker' compensation self-insurance plan

The County has a self-insurance program for worker's compensation accounted for in a separate internal service fund. An independent third party administrator processes the daily claims and performs auditing and management duties. Currently, the County self-insures \$550,000 in liability for each occurrence and purchases excess insurance through various reinsurance companies, for up to \$5,000,000 per occurrence. The fund has net assets of \$92,296 at December 31, 2004. The changes in estimated claims liability are as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2002	\$ 4,629	\$551,730	\$550,850	\$5,509
2003	5,509	682,415	346,938	340,986
2004	340,986	252,091	346,938	246,139

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

### Health care self-insurance plan

The County offers health care options through two health maintenance organizations (HMOs), a preferred provider organization (PPO), or traditional coverage with Blue Cross Blue Shield. A separate internal service fund is used to account for health care self-insurance plan activities. The revenues for this fund's operation are charges to various funds and employee payroll withholdings. The fund has net assets of \$1,494,676 at December 31, 2004. The changes in the estimated claims liability are as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2002	\$1,126,921	\$6,552,976	\$6,399,914	\$1,279,983
2003	1,279,983	6,521,086	6,502,312	1,298,757
2004	1,298,757	6,292,670	7,866,698	275,271

### Dental care self-insurance plan

The County has a self-insured plan for dental care coverage accounted for in a separate internal service fund. An independent administrator processes the daily claims and performs management duties. Benefits under the program are capped at \$800 per covered person annually. The revenues for this fund's operation are charges to various funds and payroll withholdings. The fund has net assets of \$40,920 at December 31, 2004. The changes in the estimated claims liability are as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2002	\$3,434	\$294,512	\$294,996	\$2,950
2003	2,950	393,998	393,772	3,176
2004	3,176	466,066	436,761	32,481

# COUNTY OF MONROE

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

### Unemployment self-insurance plan

The County is self-insured for unemployment and uses a separate internal service fund to account for unemployment claims. The revenues for this fund's operation are charges to various funds and payroll withholdings. The changes in the estimated claims liability are as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2002	\$ 1,776	\$ 36,257	\$ 31,694	\$ 6,339
2003	6,339	19,733	21,013	5,059
2004	5,059	11,785	15,570	1,274

### Long-term disability plan

The County is self-insured for long term disability liabilities. A separate internal service fund is used to account for long-term disability claims. The revenues for this fund's operation are charges to various funds and payroll withholdings. An independent administrator is hired to process claims and to perform management duties. The changes in the estimated claims liability are as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2002	\$ 99,920	\$235,423	\$223,562	\$111,781
2003	111,781	330,416	375,073	67,124
2004	67,124	227,456	278,136	16,444

### General liability self-insurance

The County is a voluntary member of the Michigan Municipal Risk Management Authority (MMRMA) established in January 1980, pursuant to laws of the State of Michigan which authorizes local units of government to exercise jointly any power, privilege or authority which each might exercise separately. The MMRMA administers a risk management fund providing Monroe County with loss protection for general and auto liability, and property and crime coverage. Under most circumstances the County's maximum loss per occurrence is limited as follows:

## COUNTY OF MONROE

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

<u>Type of Risk</u>	<u>Maximum Retention Per Occurrence</u>
General and auto liability	\$250,000
Property and crime coverage	\$11,000 - \$1,000 deductible and 10% of next \$100,000
Flood and earthquake	\$1,000

The administration of the MMRMA is directed by a 10-member Board of Directors composed of municipal representatives elected by the membership. The Board established the general policy of the MMRMA that creates and publishes rules to be followed by the Executive Director and Board and is empowered with the authority to impose sanctions or terminate membership. The County's Finance Department has been designated the representative to the MMRMA to be responsible for the execution of all loss control measures, to ensure the payment of all annual, supplementary or other payment requirements, to ensure the filing of all required lawsuits, claims, litigation, and reporting, and to act as a liaison between the County and MMRMA.

The MMRMA provides risk management, underwriting, reinsurance, litigation oversight and claim services with member contributions allocated to meet these obligations.

The MMRMA has reserves to pay losses incurred by members that exceed individual retention levels and are not covered under reinsurance agreements. Losses incurred within the established limits are general obligations of the MMRMA.

After Monroe County has paid the self-insured retention portion, the MMRMA and its reinsurers will be responsible for paying losses, including damages, loss adjustment expense and defense costs, with the limits at \$15,000,000 per occurrence for liability coverage. For property losses, the MMRMA insures Monroe County property at replacement value for any property rebuilt or repaired. If not replaced, the property is adjusted at actual cash value. If for any reason the Authority's resources available to pay losses are depleted, the payment of all unpaid losses of Monroe County is the sole obligation of Monroe County.

The reinsurance agreements discussed above include provisions for minimum annual premiums. As of December 31, 2004 the Authority had met the minimum requirements.

Monroe County uses a separate internal service fund to account for the activities of the retention fund held by MMRMA. At December 31, 2004, the fund has net assets of \$235,228.

Estimated incurred but not reported claims for the self-insured/retention portion of the County's participation in MMRMA was calculated and reported for the first time in 2004. The beginning of the year estimated claims liability was \$448,026, current year claims and changes in estimates were \$ (10,316) and current year retention claims paid were \$215,321, leaving an ending estimated claims payable balance at December 31, 2004 of \$222,389.

#### Road Commission Component Unit

The Road Commission is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical benefits provided to employees. The Road Commission has purchased commercial insurance for medical benefits claims and participates in the Michigan County Road Commission Self-Insurance Pool for claims relating to general liability, excess liability, auto liability, errors and omissions, and physical damage (equipment, building and contents). The Road Commission uses the Accident Fund of Michigan for workers'

## COUNTY OF MONROE

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

compensation insurance. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The county road commissions in the State of Michigan established a trust fund, known as the Michigan County Road Commission Self-Insurance Pool (the "Pool") pursuant to the provisions of Act 138 of the Michigan Public Acts of 1982. The Pool provides for joint and cooperative action relative to members' financial and administrative resources for the purpose of providing risk management services along with property and liability protection. Membership is restricted to road commissions and related road commission activities within the State.

The Pool program operates as a common risk-sharing management program for road commissions in Michigan; member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts.

#### NOTE K—RESTATEMENTS

Beginning net assets for governmental activities were increased by \$526,068 (as were net assets of the respective internal service funds) in order to correct the prior year calculation of incurred by not reported liabilities for the following internal service funds: Dental Insurance \$38,091, Health Insurance \$1,012,891, Workers Compensation \$(337,403) and Liability Insurance \$(187,511). Governmental activities beginning net assets were also reduced by \$357,858 to correct an accounting error related to the determination of net pension obligation assets.

Beginning net assets of the Monroe County Drain Commission component unit were increased by \$20,475,269 to reflect the addition of infrastructure capital assets pursuant to GASB Statement Number 34.

Net assets for the Monroe County Road Commission component unit were increased by \$3,226,728 to correct amounts due from townships for their portion of the Road Commission's bonded indebtedness as of December 31, 2003.

Net assets for the Monroe Community Mental Health Authority component unit were restated as follows: an increase of \$81,787 related to additional Medicaid carry forward dollars, and a decrease of \$3,161 related to an overpayment of state facility costs in prior years.

#### NOTE L—CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the state and federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial

The County is the defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

#### NOTE M - PROPERTY TAXES

Public Act 357 of 2004 provides a funding mechanism to serve as a substitute to county revenue sharing payments. This substitute funding mechanism involves a gradual shift of county property tax millage from a winter tax levy to a summer tax levy and additionally, required the establishment of a restricted fund known as the Revenue Sharing Reserve Fund.

## COUNTY OF MONROE

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2004

Through 2004, the County property tax was levied each December 1 on the assessed valuation of property located in the County as of the preceding December 31. On December 1, the property tax assessment was an enforceable lien on property and is payable by the last day of the following February. Assessed values are established annually by the County and are equalized by the State of Michigan at an estimated 50% of current market value.

In March 1994, Michigan voters approved Proposal A, which limits annual increases in assessed values to the lesser of 5% or the rate of inflation with assessed value reverting to 50% of true cash value when the property is sold. Real property in Monroe County for the 2003 levy (to fund 2004 operations) was assessed and equalized at \$6,167,024,077, representing 50% of estimated current market value. The County operating tax rate was at the maximum rate of 4.7933 mills, as adjusted by the Headlee Amendment to the State of Michigan Constitution. The County also had voter-approved taxes of 0.4840 mills for senior citizens services, and 0.10 mills for jail bonded debt. The County purchases at face value the real property taxes receivable returned delinquent each March 1.

Although the Monroe County 2004 ad valorem tax is levied and collectible on December 1, 2004, it is Monroe County's policy to recognize revenues from the current tax levy in the subsequent year when the proceeds of this levy are budgeted and made available for the financing of Monroe County operations.

The 2004 taxable value of Monroe County amounted to \$5,334,377,371, on which ad valorem taxes levied for Monroe County's operating purposes consisted of 4.809 mills with additional 1.000 mills authorized for library services, 0.110 mills for jail bonded debt and 0.4856 mills for services for senior citizens. The following amounts are recorded as taxes receivable including industrial facilities taxes: General Fund, \$26,201,279; Revenue Sharing Reserve Special Revenue Fund, \$8,551,007; Restricted Special Revenue Fund, \$599,322; and Senior Citizen Special Revenue Fund, \$2,645,735. The taxes receivable are recorded in the fund financial statements as taxes receivable-current with an offsetting credit to deferred revenue, except in the Revenue Sharing Reserve Special Revenue Fund.

The Monroe County Library System was authorized by a special election to levy 0.8111 mills. The Library's 2004 property taxes were levied on December 1, 2003 on assessed valuations as of December 31, 2002. The taxable value for real and personal property for the year amounted to \$5,067,187,215 based on a percentage of the property's fair market value. Taxes levied December 1, 2004, totaling \$5,334,377 were recorded as taxes receivable and deferred revenue. At December 31, 2004, taxes receivable were \$5,286,905.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**COUNTY OF MONROE  
COUNTY OF MONROE EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
(UNAUDITED)**

<b><u>SCHEDULE OF FUNDING PROGRESS:</u></b>						
<b>ACTUARIAL VALUATION DATE DECEMBER 31,</b>	<b>ACTUARIAL VALUE OF ASSETS</b>	<b>ACTUARIAL ACCRUED LIABILITY (AAL)</b>	<b>FUNDED RATIO</b>	<b>UNFUNDED AAL (UAAL)</b>	<b>COVERED PAYROLL</b>	<b>UAAL AS A PERCENTAGE OF COVERED PAYROLL</b>
1994	\$ 75,138,352	\$ 69,394,129	108.3%	\$ (5,744,223)	\$ 24,966,463	-23.0%
1995	83,546,195	73,933,400	113.0%	(9,612,795)	26,408,333	-36.4%
1996	93,061,504	78,450,435	118.6%	(14,611,069)	26,643,235	-54.8%
1997	105,788,939	87,098,801	121.5%	(18,690,138)	28,814,126	-64.9%
1998	117,699,465	91,136,434	129.1%	(26,563,031)	29,309,641	-90.6%
1999	132,836,297	97,650,685	136.0%	(35,185,612)	31,064,894	-113.3%
2000	143,765,352	105,824,598	135.9%	(37,940,754)	32,749,688	-115.9%
2001	150,304,504	116,359,159	129.2%	(33,945,345)	35,250,392	-96.3%
2002	148,404,995	125,652,447	118.1%	(22,752,548)	35,895,185	-63.4%
2003	162,683,115	139,141,015	116.9%	(23,542,100)	37,862,618	-62.2%

NOTE: VALUES TAKE INTO ACCOUNT ALL SYSTEM BENEFITS EXCEPT RETIREE HEALTH BENEFITS.

<b><u>SCHEDULE OF EMPLOYER CONTRIBUTIONS:</u></b>		
<b>YEAR ENDED DECEMBER 31,</b>	<b>ANNUAL REQUIRED CONTRIBUTION</b>	<b>PERCENTAGE CONTRIBUTED</b>
1995	\$ 1,765,027	100.00%
1996	1,715,166	100.00%
1997	1,619,271	100.00%
1998	1,110,338	100.00%
1999	579,687	100.00%
2000	197,395	100.00%
2001	133,907	100.00%
2002	41,744	100.00%
2003	191,979	100.00%
2004	1,411,037	100.00%

**SUPPLEMENTARY  
INFORMATION**

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

# MAJOR GOVERNMENTAL FUNDS

## **General Fund**

The ***General Fund*** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

## **County Health Special Revenue Fund**

The ***County Health Special Revenue Fund*** is used to account for revenue reserved for the purpose of providing health protection, maintenance, and improvement for the residents of Monroe County.

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues and Other Sources - by Source**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>Taxes</b>				
Current property taxes	\$ 24,667,386	\$ 24,667,386	\$ 24,039,226	\$ (628,160)
Delinquent personal property taxes	45,000	45,000	55,217	10,217
Industrial facilities tax	792,316	792,316	774,097	(18,219)
Trailer tax	38,000	38,000	38,084	84
Payments in lieu of taxes	18,000	18,000	18,088	88
<b>Total taxes</b>	<b>25,560,702</b>	<b>25,560,702</b>	<b>24,924,712</b>	<b>(635,990)</b>
<b>Licenses and permits</b>				
Pistol permits	12,000	12,000	21,448	9,448
Other	202,125	202,125	170,442	(31,683)
<b>Total licenses and permits</b>	<b>214,125</b>	<b>214,125</b>	<b>191,890</b>	<b>(22,235)</b>
<b>Intergovernmental</b>				
SHSGR equipment grant	-	13,385	78,691	65,306
Emergency management division grant	20,000	20,000	30,287	10,287
Civil preparedness grant	-	9,200	10,421	1,221
SHSGP emergency planning grant	85,080	85,080	83,126	(1,954)
SHSGP solution area planner grant	32,250	32,250	33,444	1,194
SHSP state homeland security grant	497,000	391,000	323,476	(67,524)
SHSGP 2003 Part II	-	49,400	49,086	(314)
Housing grant	200,000	248,383	248,383	-
COPS in schools grant	71,000	86,940	121,582	34,642
COPS 2003 OMWX0119 grant	15,000	15,000	-	(15,000)
Local law enforcement block grant	10,803	41,727	32,791	(8,936)
Saturate Monroe County grant	25,766	57,033	43,229	(13,804)
Fermi Security	-	62,884	65,733	2,849
Critical infrastructure	-	30,212	28,918	(1,294)
Bullet proof vest program	-	2,375	1,011	(1,364)
COPS MORE	-	1,881	1,410	(471)
Welfare grant	12,500	12,500	6,229	(6,271)
Family Court - Juvenile accountability grant	9,000	12,207	2,868	(9,339)
BRC initiative grant	35,075	35,075	35,258	183
BRC implementation grant	-	3,689	3,689	-
Probate court judges salaries	285,000	285,000	294,667	9,667
Circuit court judges salaries	185,000	185,000	137,172	(47,828)
District court judges salaries	140,000	140,000	137,172	(2,828)
Crime victim/witness grant	86,400	86,400	72,239	(14,161)
Assistant prosecutor	25,000	25,000	20,493	(4,507)
Family court - juvenile officer	52,775	52,775	39,582	(13,193)
District court caseload assistance	31,097	31,097	27,499	(3,598)
District court drug caseload assistance	1,627	1,627	1,935	308
Circuit court drug caseload assistance	500	500	-	(500)
State court equity fund	815,974	815,974	938,231	122,257
Remonumentation	69,479	77,588	67,588	(10,000)
Marine safety	53,000	53,000	5,254	(47,746)
State income tax	2,699,433	2,699,433	865,157	(1,834,276)
Other state grants	-	8,919	52,792	43,873

**COUNTY OF MONROE, MICHIGAN  
Schedule of Revenues and Other Sources - by Source  
Budget and Actual  
General Fund  
For the Year Ended December 31, 2004**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual over (under) Final Budget</b>
<b>Intergovernmental (concluded)</b>				
Secondary road patrol	\$ 243,063	\$ 344,925	\$ 255,315	\$ (89,610)
Justice training program	63,505	63,505	52,223	(11,282)
Community services grant	512,598	528,198	522,760	(5,438)
Community corrections grant	-	-	16,487	16,487
Corrections training	14,756	14,756	-	(14,756)
Cigarette tax	24,848	24,848	21,907	(2,941)
Liquor licenses	10,000	10,000	11,202	1,202
<b>Total intergovernmental</b>	<b>6,327,529</b>	<b>6,658,766</b>	<b>4,739,307</b>	<b>(1,919,459)</b>
<b>Contributions from local units</b>	<b>1,627,000</b>	<b>1,627,000</b>	<b>1,815,814</b>	<b>188,814</b>
<b>Charges for services</b>				
Attorney fee reimbursement	205,000	205,000	205,170	170
Circuit court costs	150,000	150,000	107,344	(42,656)
District court costs	1,500,000	1,500,000	1,394,067	(105,933)
District court services	577,400	577,400	640,313	62,913
Probate court services	71,600	71,600	64,567	(7,033)
Family court services	17,150	17,150	18,886	1,736
Prosecuting attorney	2,500	2,500	2,400	(100)
District court - day reporting fees	105,000	105,000	83,204	(21,796)
Treasurer services	44,800	44,800	39,545	(5,255)
Clerk services	185,700	195,700	216,691	20,991
Register of deeds services	1,145,000	1,170,000	1,431,154	261,154
Equalization services	82,400	82,400	60,316	(22,084)
Planning department services	21,500	21,500	22,300	800
Sheriff services	167,000	167,000	159,060	(7,940)
Sheriff contract special services	30,000	30,000	27,679	(2,321)
Jail	1,766,000	1,766,000	631,901	(1,134,099)
Animal Control	23,000	33,000	29,050	(3,950)
Medical examiner fees	7,500	7,500	8,650	1,150
Parks and recreation	7,000	8,000	7,197	(803)
Historical commission	5,500	5,500	4,022	(1,478)
County extension services	2,000	2,000	3,654	1,654
Fees and permits - soil erosion	150,000	150,000	128,275	(21,725)
Housing	-	-	1,620	1,620
<b>Total charges for services</b>	<b>6,266,050</b>	<b>6,312,050</b>	<b>5,287,065</b>	<b>(1,024,985)</b>

**COUNTY OF MONROE, MICHIGAN  
Schedule of Revenues and Other Sources - by Source  
Budget and Actual  
General Fund  
For the Year Ended December 31, 2004**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual over (under) Final Budget</b>
<b>Fines and forfeits</b>				
Ordinance fines and costs	\$ 553,000	\$ 553,000	\$ 577,736	\$ 24,736
Bond forfeitures	75,000	75,000	82,480	7,480
Forfeitures - other	20,000	20,000	9,105	(10,895)
<b>Total fines and forfeitures</b>	<b>648,000</b>	<b>648,000</b>	<b>669,321</b>	<b>21,321</b>
<b>Interest and rents</b>				
Interest on deposits	539,500	539,500	349,444	(190,056)
Rental income	87,504	70,464	249,670	179,206
<b>Total interest and rents</b>	<b>627,004</b>	<b>609,964</b>	<b>599,114</b>	<b>(10,850)</b>
<b>Other revenues</b>				
Contributions from private sources	81,300	82,100	67,507	(14,593)
Finance department revenue	46,000	46,000	52,946	6,946
General reimbursements	235,844	246,701	150,494	(96,207)
Gain on sale of fixed assets	27,822	27,822	22,865	(4,957)
Rebates - food services	4,000	4,000	7,122	3,122
Retirement board reimbursements	53,573	53,573	44,082	(9,491)
Indirect costs reimbursements	896,231	935,231	936,966	1,735
Other	29,059	45,059	58,635	13,576
<b>Total other revenues</b>	<b>1,373,828</b>	<b>1,440,486</b>	<b>1,340,617</b>	<b>(99,869)</b>
<b>Other financing sources</b>				
Transfers in	1,334,951	1,334,951	2,967,697	1,632,746
<b>Total other financing sources</b>	<b>1,334,951</b>	<b>1,334,951</b>	<b>2,967,697</b>	<b>1,632,746</b>
<b>Total revenues and other financing sources</b>	<b>\$ 43,979,189</b>	<b>\$ 44,406,044</b>	<b>\$ 42,535,537</b>	<b>\$ (1,870,507)</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Expenditures and Other Financing Uses - by Activity**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2004**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual over (under) Final Budget</b>
<b>General Government</b>				
<b>Board of Commissioners</b>				
Salaries and wages	\$ 171,614	\$ 171,614	\$ 172,802	\$ 1,188
Employee benefits	80,921	80,522	62,330	(18,192)
Services and supplies	56,512	55,800	53,554	(2,246)
	<u>309,047</u>	<u>307,936</u>	<u>288,686</u>	<u>(19,250)</u>
<b>Circuit Court</b>				
Salaries and wages	262,289	262,289	259,790	(2,499)
Employee benefits	124,287	124,287	82,413	(41,874)
Services and supplies	456,580	506,580	499,435	(7,145)
	<u>843,156</u>	<u>893,156</u>	<u>841,638</u>	<u>(51,518)</u>
<b>District Court</b>				
Salaries and wages	1,261,717	1,260,717	1,254,910	(5,807)
Employee benefits	681,573	658,572	572,690	(85,882)
Services and supplies	451,938	460,857	356,344	(104,513)
	<u>2,395,228</u>	<u>2,380,146</u>	<u>2,183,944</u>	<u>(196,202)</u>
<b>District Court Probation</b>				
Salaries and wages	322,158	342,158	340,836	(1,322)
Employee benefits	182,260	182,259	181,246	(1,013)
Services and supplies	25,264	25,164	23,245	(1,919)
	<u>529,681</u>	<u>549,581</u>	<u>545,327</u>	<u>(4,254)</u>
<b>District Court Probation - Day Reporting</b>				
Salaries and wages	37,763	37,763	38,176	413
Employee benefits	22,991	22,991	23,199	208
Services and supplies	3,115	3,115	2,204	(911)
	<u>63,870</u>	<u>63,869</u>	<u>63,579</u>	<u>(290)</u>
<b>Probate Court</b>				
Salaries and wages	334,366	332,667	334,399	1,732
Employee benefits	132,238	100,238	62,722	(37,516)
Services and supplies	62,809	79,459	78,233	(1,226)
	<u>529,413</u>	<u>512,364</u>	<u>475,354</u>	<u>(37,010)</u>
<b>BRC Initiative Grant Project</b>				
Services and supplies	35,075	35,275	35,198	(77)
<b>BRC Implementation Project</b>				
Services and supplies	-	3,689	3,689	-
<b>County Guardian</b>				
Services and supplies	54,000	55,250	55,250	-

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Expenditures and Other Financing Uses - by Activity**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2004**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>- Actual</b>	<b>Actual over (under) Final Budget</b>
General Government (continued)				
<b>Adult Probation</b>				
Services and supplies	\$ 21,875	\$ 21,875	\$ 20,694	\$ (1,181)
<b>Family Court</b>				
Salaries and wages	730,084	720,084	742,802	22,718
Employee benefits	290,660	290,661	326,841	36,180
Services and supplies	362,832	371,039	300,627	(70,412)
	1,383,576	1,381,784	1,370,270	(11,514)
<b>Family Court - Probation Officer</b>				
Salaries and wages	339,961	387,761	382,794	(4,967)
Employee benefits	185,484	169,484	173,182	3,698
Services and supplies	19,367	19,367	18,616	(751)
	544,813	576,612	574,592	(2,020)
<b>District Court Pretrial Services</b>				
Salaries and wages	88,716	92,716	92,443	(273)
Employee benefits	35,475	35,476	34,192	(1,284)
Services and supplies	5,056	5,056	4,510	(546)
	129,247	133,248	131,145	(2,103)
<b>Jail Alternative Work Services</b>				
Salaries and wages	27,828	27,828	26,900	(928)
Employee benefits	10,995	10,995	6,063	(4,932)
Services and supplies	2,426	2,526	2,460	(66)
	41,249	41,349	35,423	(5,926)
<b>Administrator</b>				
Salaries and wages	108,344	110,845	113,306	2,461
Employee benefits	35,651	35,150	32,600	(2,550)
Services and supplies	6,785	7,285	6,976	(309)
	150,780	153,280	152,882	(398)
<b>Elections</b>				
Services and supplies	82,850	89,350	87,980	(1,370)
<b>Finance Department</b>				
Salaries and wages	239,678	237,177	231,200	(5,977)
Employee benefits	106,512	100,931	94,185	(6,746)
Services and supplies	84,205	80,205	42,987	(37,218)
	430,394	418,313	368,372	(49,941)
<b>Clerk</b>				
Salaries and wages	592,550	592,550	604,971	12,421
Employee benefits	304,000	302,500	268,164	(34,336)
Services and supplies	118,821	118,825	110,945	(7,880)
	1,015,372	1,013,875	984,080	(29,795)
<b>Equalization</b>				
Salaries and wages	263,868	263,868	285,899	22,031
Employee benefits	119,566	119,565	99,685	(19,880)
Services and supplies	34,878	34,878	27,984	(6,894)
	418,312	418,311	413,568	(4,743)

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Expenditures and Other Financing Uses - by Activity**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2004**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual over (under) Final Budget</b>
<b>General Government (continued)</b>				
<b>Register of Deeds</b>				
Salaries and wages	\$ 110,018	\$ 110,017	\$ 117,117	\$ 7,100
Employee benefits	58,196	58,197	52,206	(5,991)
Services and supplies	55,468	55,468	20,501	(34,967)
	223,682	223,682	189,824	(33,858)
<b>Human Resources</b>				
Salaries and wages	138,868	138,867	139,079	212
Employee benefits	37,512	37,511	24,816	(12,695)
Services and supplies	38,927	38,927	38,092	(835)
	215,307	215,305	201,987	(13,318)
<b>Prosecuting Attorney</b>				
Salaries and wages	1,012,580	1,012,580	1,020,754	8,174
Employee benefits	382,838	382,838	324,404	(58,434)
Services and supplies	134,571	134,935	123,554	(11,381)
	1,529,989	1,530,353	1,468,712	(61,641)
<b>Crime Victims Services</b>				
Salaries and wages	67,233	67,233	69,037	1,804
Employee benefits	38,383	36,384	36,906	522
Services and supplies	9,258	7,558	4,895	(2,663)
	114,873	111,175	110,838	(337)
<b>Drug Prosecution Grant</b>				
Salaries and wages	71,292	74,391	74,248	(143)
Employee benefits	30,325	30,924	31,022	98
Services and supplies	2,330	2,330	2,330	-
	103,947	107,645	107,600	(45)
<b>Retirement Board</b>				
Salaries and wages	38,028	39,828	39,420	(408)
Employee benefits	14,131	19,912	19,810	(102)
Services and supplies	1,443	1,443	1,509	66
	53,602	61,183	60,739	(444)
<b>Remonumentation</b>				
Salaries and wages	4,500	7,105	7,092	(13)
Employee benefits	65,584	70,483	70,475	(8)
	70,084	77,588	77,567	(21)
<b>Treasurer</b>				
Salaries and wages	266,817	268,818	280,138	11,320
Employee benefits	122,455	122,455	116,139	(6,316)
Services and supplies	45,731	45,731	40,597	(5,134)
	435,004	437,004	436,874	(130)
<b>Cooperative Extension Services</b>				
Salaries and wages	189,937	189,936	192,659	2,723
Employee benefits	91,353	91,352	81,738	(9,614)
Services and supplies	100,077	107,577	102,268	(5,309)
	381,366	388,865	376,665	(12,200)

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Expenditures and Other Financing Uses - by Activity**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2004**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual over (under) Final Budget</b>
<b>General Government (continued)</b>				
<b>Information Services</b>				
Salaries and wages	\$ 320,528	\$ 320,529	\$ 322,021	\$ 1,492
Employee benefits	118,574	118,573	112,149	(6,424)
Services and supplies	175,854	175,854	123,004	(52,850)
	<u>614,956</u>	<u>614,956</u>	<u>557,174</u>	<u>(57,782)</u>
<b>Building and Grounds</b>				
Salaries and wages	567,588	560,188	558,151	(2,037)
Employee benefits	314,671	303,671	271,914	(31,757)
Services and supplies	470,498	518,675	518,559	(116)
	<u>1,352,757</u>	<u>1,382,534</u>	<u>1,348,624</u>	<u>(33,910)</u>
<b>Courthouse Security</b>				
Services and supplies	101,210	101,210	94,080	(7,130)
<b>Drain Commission</b>				
Salaries and wages	241,760	241,760	242,923	1,163
Employee benefits	94,618	94,618	80,349	(14,269)
Services and supplies	20,666	19,666	19,329	(337)
	<u>357,043</u>	<u>356,044</u>	<u>342,601</u>	<u>(13,443)</u>
<b>Parks Maintenance</b>				
Salaries and wages	108,813	116,213	112,579	(3,634)
Employee benefits	58,785	58,887	58,732	(155)
Services and supplies	65,949	70,399	74,188	3,789
	<u>233,548</u>	<u>245,499</u>	<u>245,499</u>	<u>-</u>
<b>Soil Erosion</b>				
Salaries and wages	52,595	53,594	53,614	20
Employee benefits	23,779	23,779	23,845	66
Services and supplies	6,524	6,524	6,362	(162)
	<u>82,897</u>	<u>83,897</u>	<u>83,821</u>	<u>(76)</u>
<b>General County Expense</b>				
Services and supplies	318,100	316,100	271,210	(44,890)
<b>Building Authority</b>				
Services and supplies	385	385	90	(295)
<b>Total General Government</b>	<b>15,166,688</b>	<b>15,302,688</b>	<b>14,605,576</b>	<b>(697,112)</b>
<b>Public Safety</b>				
<b>Sheriff - Administrator and Road Patrol</b>				
Salaries and wages	3,992,180	4,044,945	4,118,709	73,764
Employee benefits	2,077,658	2,116,021	1,995,489	(120,532)
Services and supplies	520,353	643,111	644,803	1,692
	<u>6,590,191</u>	<u>6,804,077</u>	<u>6,759,001</u>	<u>(45,076)</u>
<b>Traffic and Safety</b>				
Salaries and wages	1,306,976	1,306,976	1,326,423	19,447
Employee benefits	704,370	704,369	654,860	(49,509)
Services and supplies	55,191	55,191	54,327	(864)
	<u>2,066,537</u>	<u>2,066,536</u>	<u>2,035,610</u>	<u>(30,926)</u>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Expenditures and Other Financing Uses - by Activity**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2004**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual over (under) Final Budget</b>
<b>Public Safety (continued)</b>				
<b>COPS MORE</b>				
Services and supplies	\$ -	\$ 1,881	\$ 1,881	\$ -
<b>COPS - 2003 OMWX0119</b>				
Salaries and wages	15,983	15,983	-	(15,983)
Employee benefits	5,382	5,382	-	(5,382)
	21,365	21,365	-	(21,365)
<b>Critical infrastructure</b>				
Salaries and wages	-	27,167	22,133	(5,034)
Employee benefits	-	9,187	7,469	(1,718)
	-	36,354	29,602	(6,752)
<b>Local Law Enforcement Grant</b>				
Salaries and wages	22,155	22,155	-	(22,155)
Employee benefits	7,489	7,490	-	(7,490)
Services and supplies	13,468	44,392	36,940	(7,452)
	43,112	74,037	36,940	(37,097)
<b>Secondary Road Patrol</b>				
Salaries and wages	215,245	209,298	210,551	1,253
Employee benefits	127,928	114,558	106,699	(7,859)
Services and supplies	54,021	37,449	29,386	(8,063)
	397,194	361,305	346,636	(14,669)
<b>Special Contractual</b>				
Salaries and wages	25,000	25,000	20,717	(4,283)
Employee benefits	8,455	8,455	6,943	(1,512)
Services and supplies	827	827	827	-
	34,282	34,282	28,487	(5,795)
<b>Bullet Proof Vest Program</b>				
Services and supplies	-	2,375	1,264	(1,111)
<b>Fermi Security</b>				
Salaries and wages	-	60,145	58,429	(1,716)
Employee benefits	-	19,855	19,691	(164)
	-	80,000	78,120	(1,880)
<b>Saturate Monroe County Program</b>				
Salaries and wages	14,792	33,055	28,262	(4,793)
Employee benefits	5,002	11,148	9,401	(1,747)
Services and supplies	5,997	12,830	5,763	(7,067)
	25,791	57,033	43,426	(13,607)
<b>Justice Training</b>				
Services and supplies	63,505	63,505	52,223	(11,282)
<b>State Homeland Security -Sheriff Programs</b>				
Salaries and wages	-	36,960	36,682	(278)
Employee benefits	-	12,440	12,404	(36)
	-	49,400	49,086	(314)

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Expenditures and Other Financing Uses - by Activity**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2004**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual over (under) Final Budget</b>
<b>Public Safety (continued)</b>				
<b>Marine Safety</b>				
Salaries and wages	\$ 36,521	\$ 36,521	\$ 8,378	\$ (28,143)
Employee benefits	11,416	11,416	1,229	(10,187)
Services and supplies	22,614	22,614	10,235	(12,379)
	70,551	70,551	19,842	(50,709)
<b>Corrections - Jail</b>				
Salaries and wages	2,146,492	2,349,577	2,374,497	24,920
Employee benefits	1,236,705	1,346,674	1,220,180	(126,494)
Services and supplies	1,643,352	1,628,294	1,487,021	(141,273)
	5,026,549	5,324,545	5,081,698	(242,847)
<b>Community Work Services Program</b>				
Salaries and wages	42,816	42,816	44,681	1,865
Employee benefits	16,236	15,211	9,831	(5,380)
Services and supplies	504,307	520,932	520,849	(83)
	563,359	578,959	575,361	(3,598)
<b>Emergency Management</b>				
Salaries and wages	97,697	97,698	103,244	5,546
Employee benefits	41,066	39,586	33,357	(6,229)
Services and supplies	92,484	103,164	102,238	(926)
	231,248	240,448	238,839	(1,609)
<b>SHSGR Solution Area Planner</b>				
Salaries and wages	36,462	36,462	34,416	(2,046)
Employee benefits	20,820	20,819	19,113	(1,706)
	57,282	57,281	53,529	(3,752)
<b>SHSP - State Homeland Security</b>				
Services and supplies	226,000	226,000	221,923	(4,077)
<b>Animal Control</b>				
Salaries and wages	186,792	186,792	181,888	(4,904)
Employee benefits	85,780	85,780	99,459	13,679
Services and supplies	122,824	136,624	131,099	(5,525)
	395,396	409,196	412,446	3,250
<b>COPS in Schools- MPS and ISD</b>				
Salaries and wages	95,513	101,268	101,268	-
Employee benefits	49,478	56,676	56,666	(10)
Services and supplies	2,985	2,985	2,985	-
	147,977	160,929	160,919	(10)
<b>COPS in Schools-BPS and SPS</b>				
Salaries and wages	83,127	89,927	89,927	-
Employee benefits	47,109	44,014	44,005	(9)
Services and supplies	3,427	2,710	2,710	-
	133,663	136,651	136,642	(9)
<b>Corrections Training Program</b>				
Services and supplies	14,756	14,756	-	(14,756)
<b>Total Public Safety</b>	<b>16,108,758</b>	<b>16,871,466</b>	<b>16,363,475</b>	<b>(507,991)</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Expenditures and Other Financing Uses - by Activity**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>Public Works</b>				
<b>Drains at Large</b>				
Services and supplies	\$ 30,000	\$ 30,000	\$ 29,919	\$ (81)
<b>Total Public Works</b>	<b>30,000</b>	<b>30,000</b>	<b>29,919</b>	<b>(81)</b>
<b>Health and Welfare</b>				
<b>Medical Examiner</b>				
Salaries and wages	35,203	35,203	40,641	5,438
Employee benefits	4,942	4,942	5,842	900
Services and supplies	99,986	99,986	90,783	(9,203)
	140,131	140,131	137,266	(2,865)
<b>Commission on Aging</b>				
Salaries and wages	79,200	79,200	63,849	(15,351)
Employee benefits	32,983	32,982	23,326	(9,656)
Services and supplies	32,769	32,769	26,173	(6,596)
	144,951	144,951	113,348	(31,603)
<b>Veterans' Burial</b>				
Services and supplies	30,000	30,000	20,420	(9,580)
<b>Veterans' Bureau</b>				
Salaries and wages	40,035	40,035	41,270	1,235
Employee benefits	18,606	18,606	17,794	(812)
Services and supplies	3,340	3,340	2,598	(742)
	61,982	61,981	61,662	(319)
<b>Soldier's and Sailors Relief</b>				
Services and supplies	3,775	3,775	2,981	(794)
<b>River Raisin Watershed</b>				
Services and supplies	6,131	7,151	7,151	-
<b>Soil Conservation District</b>				
Services and supplies	34,000	34,000	34,000	-
<b>Area Wide Water Quality Board</b>				
Services and supplies	7,000	7,000	7,054	54
<b>Industrial Development Corporation</b>				
Services and supplies	60,000	60,000	60,000	-
<b>Monroe County Opportunity Program</b>				
Services and supplies	32,000	32,000	32,000	-
<b>MCOP - Head Start</b>				
Services and supplies	30,000	30,000	30,000	-
<b>Economic Development - Dundee</b>				
Services and supplies	90,000	90,000	84,767	(5,233)
<b>Total Health and Welfare</b>	<b>639,970</b>	<b>640,989</b>	<b>590,649</b>	<b>(50,340)</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Expenditures and Other Financing Uses - by Activity**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2004**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual over (under) Final Budget</b>
<b>Community and Economic Development</b>				
<b>Planning</b>				
Salaries and wages	\$ 352,204	\$ 352,204	\$ 362,762	\$ 10,558
Employee benefits	157,338	157,338	137,996	(19,342)
Services and supplies	93,353	93,353	92,759	(594)
	<u>602,895</u>	<u>602,895</u>	<u>593,517</u>	<u>(9,378)</u>
<b>Plat Board</b>				
Services and supplies	1,700	1,700	1,300	(400)
<b>State Boundary Commission</b>				
Services and supplies	300	300	192	(108)
<b>2003 Housing Grant</b>				
Services and supplies	200,000	248,383	248,383	-
<b>Economic Development</b>				
Services and supplies	-	35,000	-	(35,000)
<b>Total Community and Economic Development</b>	<u>804,895</u>	<u>888,278</u>	<u>843,392</u>	<u>(44,886)</u>
<b>Recreation and Cultural</b>				
<b>Historical Commission</b>				
Salaries and wages	207,650	218,762	209,563	(9,199)
Employee benefits	71,126	71,126	61,975	(9,151)
Services and supplies	75,168	64,055	63,281	(774)
	<u>353,943</u>	<u>353,943</u>	<u>334,819</u>	<u>(19,124)</u>
<b>Community Center</b>				
Services and supplies	34,000	34,000	34,000	-
<b>S.E. Michigan Council of Governments</b>				
Services and supplies	55,000	55,000	51,833	(3,167)
<b>Toledo Met Area Council of Governments</b>				
Services and supplies	8,000	8,092	8,092	-
<b>Fine Arts Council</b>				
Services and supplies	500	500	-	(500)
<b>Michigan Week</b>				
Services and supplies	500	500	500	-
<b>Total Recreation and Cultural</b>	<u>451,943</u>	<u>452,035</u>	<u>429,244</u>	<u>(22,791)</u>
<b>Other Expenditures</b>				
<b>Insurance, Bonds and Fringes</b>				
Services and supplies	67,500	82,500	66,202	(16,298)
<b>Contingencies</b>				
Services and supplies	443,435	228,418	-	(228,418)

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Expenditures and Other Financing Uses - by Activity**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2004**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual over (under) Final Budget</b>
<b>Other Expenditures (continued)</b>				
<b>Special appropriation</b>				
Ditch Maintenance	\$ 45,000	\$ 45,000	\$ 45,000	\$ -
Mental Health Facility	500,000	997,803	997,803	-
	545,000	1,042,803	1,042,803	-
<b>Total Other Expenditures</b>	<b>1,055,935</b>	<b>1,353,721</b>	<b>1,109,005</b>	<b>(244,716)</b>
<b>Capital Outlay</b>	<b>796,849</b>	<b>935,691</b>	<b>707,051</b>	<b>(228,640)</b>
<b>Total Expenditures</b>	<b>35,055,038</b>	<b>36,474,868</b>	<b>34,678,311</b>	<b>(1,796,557)</b>
<b>Other Uses - Transfers out</b>				
Health Department	1,655,583	1,655,583	1,273,896	(381,687)
Ambulance Authority	4,000	4,000	4,000	-
Friend of the Court	450,368	450,368	450,368	-
Self Help Road	185,250	185,250	185,250	-
Computer Capital Outlay	500,000	500,000	500,000	-
New Jail	1,659,238	1,363,563	1,363,563	-
Central Dispatch	1,216,444	1,216,444	1,008,222	(208,222)
Social Services Infirmary	494,525	494,525	494,525	-
Child Care	1,769,986	1,769,986	792,497	(977,489)
Radio Equipment	750,000	750,000	750,000	-
Building Authority Debt	577,000	577,000	577,000	-
Mental Health Debt	2,000	2,000	2,000	-
Capital Improvement	-	5,000	5,000	-
Drain Engineering	26,233	26,233	14,117	(12,116)
<b>Total Other Uses - Transfers Out</b>	<b>9,290,629</b>	<b>8,999,952</b>	<b>7,420,438</b>	<b>(1,579,514)</b>
<b>Total Expenditures and Transfers Out</b>	<b>44,345,667</b>	<b>45,474,820</b>	<b>42,098,749</b>	<b>(3,376,071)</b>

**Exhibit J**

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**County Health Special Revenue Fund**  
**For the Year Ended December 31, 2004**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenues</b>				
Licenses and permits	\$ 325,000	\$ 325,000	\$ 379,990	\$ 54,990
Intergovernmental revenue	1,917,000	2,610,419	2,487,028	(123,391)
Charges for services	901,075	926,074	1,211,503	285,429
Other revenue	160,830	183,830	152,316	(31,514)
Total revenues	3,303,905	4,045,323	4,230,837	185,514
<b>Expenditures</b>				
Current				
Health and welfare				
Salaries and wages	2,011,462	1,974,565	1,722,539	(252,026)
Employee benefits	808,093	803,093	756,361	(46,732)
Services and supplies	2,047,602	2,808,222	2,445,717	(362,505)
Capital outlay	91,000	133,200	45,500	(87,700)
Total expenditures	4,958,157	5,719,080	4,970,117	(748,963)
Revenues over (under) expenditures	(1,654,252)	(1,673,757)	(739,280)	934,477
<b>Other financing sources (uses)</b>				
Transfers in	1,655,583	1,655,583	1,273,896	(381,687)
Transfers (out)	(80,625)	(80,625)	(80,625)	-
Total other financing (uses)	1,574,958	1,574,958	1,193,271	(381,687)
Net changes in fund balance	(79,294)	(98,799)	453,991	552,790
Fund balance, beginning of year	958,228	958,228	958,228	-
<b>Fund balance, end of year</b>	<b>\$ 878,934</b>	<b>\$ 859,429</b>	<b>\$ 1,412,219</b>	<b>\$ 552,790</b>

# NONMAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

Friend of the Court Fund	<ul style="list-style-type: none"><li>• Accounts for the County revenue that is reserved for the operation of this division of the Circuit Court.</li></ul>
Self-Help Road Fund	<ul style="list-style-type: none"><li>• Records the activity involving appropriations from other funds and construction costs for this road program.</li></ul>
Restricted Fund	<ul style="list-style-type: none"><li>• Established to control tax monies received for the payment of lease requirements to the Building Authority for the Adult Detention Center and Law Enforcement Building.</li></ul>
Federal Prisoner Housing Fund	<ul style="list-style-type: none"><li>• Accounts for the activity of the second jail facility.</li></ul>
Budget Stabilization Fund	<ul style="list-style-type: none"><li>• Established by resolution as provided in Act 30 of the Public Acts of 1978 to account for monies set aside for this purpose.</li></ul>
Central Dispatch Authority Fund	<ul style="list-style-type: none"><li>• Accounts for the activity of the public safety answering point for all of Monroe County, including villages, townships and cities participating in the Emergency Telephone District of the 9-1-1 Service Plan.</li></ul>
Marriage Counseling Fund	<ul style="list-style-type: none"><li>• Established under Act 4 of the Public Acts of 1980 for fees allocated to be used for family counseling services.</li></ul>
Prosecutor Drug Forfeiture Fund	<ul style="list-style-type: none"><li>• Established to account for monies received by the prosecutor's office for drug forfeiture cases.</li></ul>
Special Investigation Drug Enforcement Fund	<ul style="list-style-type: none"><li>• Accounts for monies received by the Sheriff's Department after cases have been prosecuted and forfeiture monies are available for distribution and use within the Department for Drug Enforcement activities.</li></ul>
Federally Forfeited Property Fund	<ul style="list-style-type: none"><li>• Accounts for monies received by the Sheriff's Department after cases have been prosecuted and forfeiture monies are available for distribution and use within the Department for Local Law Enforcement activities.</li></ul>
OMNI Drug Forfeiture Fund	<ul style="list-style-type: none"><li>• Accounts for monies received by the Office of Monroe Narcotics Investigation (OMNI) which is a multi-jurisdictional task force combining the efforts of the Michigan State Police, Monroe County Sheriff's Office and the Monroe Police Department.</li></ul>

# NONMAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds (Continued)

Forfeited Property Non-Drug Fund	<ul style="list-style-type: none"><li>Accounts for monies received by the Sheriff's Department after cases have been prosecuted and forfeiture monies are available for distribution and use within the Department for Local Law Enforcement activities.</li></ul>
Job Training and Placement Fund	<ul style="list-style-type: none"><li>Accounts for costs involved with the training and placement of qualified county residents.</li></ul>
Workforce Investment Fund	<ul style="list-style-type: none"><li>Accounts for costs related to the Adult Program, for adults who are economically disadvantaged, and the Dislocated Workers Program, for certain laid-off individuals.</li></ul>
Senior Citizen Fund	<ul style="list-style-type: none"><li>Controls the special tax levy and general fund appropriation for services and special programs for seniors.</li></ul>
Sheriff Training Fund	<ul style="list-style-type: none"><li>Utilizes State funds to provide corrective and protective service officers with training seminars to update and enhance the officers' knowledge of criminal activities.</li></ul>
Social Services Fairview Infirmary Fund	<ul style="list-style-type: none"><li>Functions under the directions of the County Board and State Family Independence Agency to provide general relief for indigent persons and medical care for eligible persons who are unable to provide it for themselves.</li></ul>
Probate Court Youth Center Fund	<ul style="list-style-type: none"><li>Accounts for the revenue reserved for this division of the Probate Court and is used for the care of all juveniles under the jurisdiction of the Court.</li></ul>
Other Special Revenue Funds	<ul style="list-style-type: none"><li>These funds account for specific grants requiring separate accounting as stipulated in the grant provisions as well as several other small funds. These funds are not significant and are combined into one category of special revenue funds. Financing is provided primarily by federal and state grants, other revenues and reimbursements, and operating transfers.</li></ul>

# NONMAJOR GOVERNMENTAL FUNDS

## **Debt Service Funds**

### Debt Service

- These funds account for the accumulation of resources for, and the payment of, the general long-term obligations issued for the county and the Building Authority and other general obligations.

## **Capital Projects Funds**

### Capital Projects

- These funds account for the accumulation of resources for, and the payment of costs, for activity related to acquisition and improvement costs of county property.

**COUNTY OF MONROE, MICHIGAN**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2004**

	Special Revenue	Debt Service	Capital Projects	Totals
<b><u>ASSETS</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 6,326,083	\$ 1,020,864	\$ 1,991,284	\$ 9,338,231
Investments	1,310,000	-	-	1,310,000
Taxes receivable, current	3,245,057	-	-	3,245,057
Due from other governments	1,177,636	-	-	1,177,636
Due from other funds	507,500	-	-	507,500
Advances to other funds	357,017	-	-	357,017
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 12,923,293</u></b>	<b><u>\$ 1,020,864</u></b>	<b><u>\$ 1,991,284</u></b>	<b><u>\$ 15,935,441</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>Liabilities</b>				
Accounts payable	\$ 337,408	\$ -	\$ -	\$ 337,408
Accrued wages and fringes	180,277	-	-	180,277
Due to other funds	779,364	-	-	779,364
Advances from other governments	100,000	-	-	100,000
Advances from other funds	75,000	-	-	75,000
Deferred revenue	3,245,057	-	-	3,245,057
Total liabilities	4,717,106	-	-	4,717,106
<b>Fund balances</b>				
Reserved for:				
Encumbrances	11,737	-	-	11,737
Long-term advances	357,017	-	-	357,017
Debt service	756,873	-	-	756,873
Donations	5,125	-	-	5,125
Unreserved:				
Designated	694,259	-	-	694,259
Undesignated	6,381,176	1,020,864	1,991,284	9,393,324
Total fund balances	8,206,187	1,020,864	1,991,284	11,218,335
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 12,923,293</u></b>	<b><u>\$ 1,020,864</u></b>	<b><u>\$ 1,991,284</u></b>	<b><u>\$ 15,935,441</u></b>

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2004**

	Special Revenue	Debt Service	Capital Projects	Totals
<b>Revenues</b>				
Taxes	\$ 3,013,904	\$ -	\$ -	\$ 3,013,904
Licenses and permits	12,810	-	-	12,810
Intergovernmental revenues	7,150,734	-	-	7,150,734
Contributions from local units	42,467	-	-	42,467
Charges for services	1,298,383	-	-	1,298,383
Fines and forfeits	317,413	-	-	317,413
Interest and rents	81,991	437,012	24,522	543,525
Other revenue	1,073,790	-	25,800	1,099,590
Total revenues	12,991,492	437,012	50,322	13,478,826
<b>Expenditures</b>				
Current:				
General government	2,640,971	-	-	2,640,971
Public safety	8,457,109	-	-	8,457,109
Public works	603,944	-	-	603,944
Health and welfare	5,613,334	-	-	5,613,334
Recreation and culture	1,957	-	3,000	4,957
Debt service:				
Principal	-	1,985,061	-	1,985,061
Interest	-	473,321	-	473,321
Capital outlay	754,645	-	115,692	870,337
Total expenditures	18,071,960	2,458,382	118,692	20,649,034
Revenues (under) expenditures	(5,080,468)	(2,021,370)	(68,370)	(7,170,208)
<b>Other financing sources (uses)</b>				
Transfers in	5,393,425	2,064,990	23,430	7,481,845
Transfers (out)	(800,834)	-	(11,930)	(812,764)
Total other financing sources	4,592,591	2,064,990	11,500	6,669,081
Net changes in fund balances	(487,877)	43,620	(56,870)	(501,127)
Fund balances, beginning of year	8,694,064	977,244	2,048,154	11,719,462
<b>Fund balances, end of year</b>	<b>\$ 8,206,187</b>	<b>\$ 1,020,864</b>	<b>\$ 1,991,284</b>	<b>\$ 11,218,335</b>

**COUNTY OF MONROE, MICHIGAN**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2004**

**ASSETS**

	Friend of the Court	Self Help Road	Restricted	Federal Prisoner Housing	Budget Stabilization	Central Dispatch Authority	Marriage Counseling
<b>Assets</b>							
Cash and cash equivalents	\$ 7,377	\$ 1,049,219	\$ 756,873	\$ 9,113	\$ 1,178,674	\$ 236,748	\$ 159,848
Investments	-	-	-	-	1,000,000	-	-
Taxes receivable, current	-	-	599,322	-	-	-	-
Due from other governments	530,871	-	-	274,080	-	50,913	-
Due from other funds	-	-	-	-	507,500	-	-
Advances to other funds	-	-	-	-	357,017	-	-
<b>TOTAL ASSETS</b>	<b>\$ 538,248</b>	<b>\$ 1,049,219</b>	<b>\$ 1,356,195</b>	<b>\$ 283,193</b>	<b>\$ 3,043,191</b>	<b>\$ 287,661</b>	<b>\$ 159,848</b>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities</b>							
Accounts payable	\$ 13,408	\$ 6,029	\$ -	\$ 23,439	\$ -	\$ 1,265	\$ -
Accrued wages and fringes	40,382	-	-	41,723	-	28,093	-
Due to other funds	335,033	-	-	201,800	-	47,339	-
Advances from other governments	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	599,322	-	-	-	-
<b>Total liabilities</b>	<b>388,823</b>	<b>6,029</b>	<b>599,322</b>	<b>266,962</b>	<b>-</b>	<b>76,697</b>	<b>-</b>
<b>Fund balances</b>							
Reserved for:							
Encumbrances	-	-	-	947	-	-	-
Long-term advances	-	-	-	-	357,017	-	-
Debt service	-	-	756,873	-	-	-	-
Donations	-	-	-	-	-	-	-
Unreserved:							
Designated	-	-	-	-	-	110,000	-
Undesignated	149,425	1,043,190	-	15,284	2,686,174	100,964	159,848
<b>Total fund balances</b>	<b>149,425</b>	<b>1,043,190</b>	<b>756,873</b>	<b>16,231</b>	<b>3,043,191</b>	<b>210,964</b>	<b>159,848</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 538,248</b>	<b>\$ 1,049,219</b>	<b>\$ 1,356,195</b>	<b>\$ 283,193</b>	<b>\$ 3,043,191</b>	<b>\$ 287,661</b>	<b>\$ 159,848</b>

continued...

COUNTY OF MONROE, MICHIGAN  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2004

	Prosecutor Drug Forfeiture	Special Investigation Drug Enforcement	Federally Forfeited Property	OMNI Drug Forfeiture	Forfeited Property Non-Drug	Job Training and Placement	Workforce Investment
<b><u>ASSETS</u></b>							
<b>Assets</b>							
Cash and cash equivalents	\$ 54,492	\$ 27,606	\$ 29,122	\$ 681,247	\$ 1,523	\$ 3,372	\$ 3,282
Investments	-	-	-	-	-	-	-
Taxes receivable, current	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	78,570	104,077
Due from other funds	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
<b><u>TOTAL ASSETS</u></b>	<b>\$ 54,492</b>	<b>\$ 27,606</b>	<b>\$ 29,122</b>	<b>\$ 681,247</b>	<b>\$ 1,523</b>	<b>\$ 81,942</b>	<b>\$ 107,359</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ 1,615	\$ 3,199	\$ -	\$ -	\$ 3,187	\$ 1,607
Accrued wages and fringes	-	-	-	-	-	6,770	13,917
Due to other funds	-	-	-	-	-	55,919	68,869
Advances from other governments	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	-	1,615	3,199	-	-	65,876	84,393
<b>Fund balances</b>							
Reserved for:							
Encumbrances	-	-	-	-	-	-	-
Long-term advances	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Unreserved:							
Designated	20,221	24,195	25,923	-	-	-	-
Undesignated	34,271	1,796	-	681,247	1,523	16,066	22,966
Total fund balances	54,492	25,991	25,923	681,247	1,523	16,066	22,966
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b>\$ 54,492</b>	<b>\$ 27,606</b>	<b>\$ 29,122</b>	<b>\$ 681,247</b>	<b>\$ 1,523</b>	<b>\$ 81,942</b>	<b>\$ 107,359</b>

continued...

**COUNTY OF MONROE, MICHIGAN  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2004**

**ASSETS**

**Assets**

	Senior Citizen	Sheriff Training	Social Services Fairview Infirmery	Probate Court Youth Center	Other Special Revenue Funds	Total
Cash and cash equivalents	\$ 123,089	\$ 34,718	\$ 110,107	\$ 485,439	\$ 1,374,234	\$ 6,326,083
Investments	310,000	-	-	-	-	1,310,000
Taxes receivable, current	2,645,735	-	-	-	-	3,245,057
Due from other governments	-	-	34,061	71,853	33,211	1,177,636
Due from other funds	-	-	-	-	-	507,500
Advances to other funds	-	-	-	-	-	357,017
<b><u>TOTAL ASSETS</u></b>	<b>\$ 3,078,824</b>	<b>\$ 34,718</b>	<b>\$ 144,168</b>	<b>\$ 557,292</b>	<b>\$ 1,407,445</b>	<b>\$ 12,923,293</b>

**LIABILITIES AND FUND BALANCES**

**Liabilities**

Accounts payable	\$ 3,050	\$ -	\$ 8,315	\$ 47,742	\$ 224,552	\$ 337,408
Accrued wages and fringes	-	-	8,627	39,060	1,705	180,277
Due to other funds	-	-	5,501	60,592	4,311	779,364
Advances from other governments	-	-	-	-	100,000	100,000
Advances from other funds	-	-	-	-	75,000	75,000
Deferred revenue	2,645,735	-	-	-	-	3,245,057
<b>Total liabilities</b>	<b>2,648,785</b>	<b>-</b>	<b>22,443</b>	<b>147,394</b>	<b>405,568</b>	<b>4,717,106</b>

**Fund balances**

Reserved for:						
Encumbrances	-	-	13	127	10,650	11,737
Long-term advances	-	-	-	-	-	357,017
Debt service	-	-	-	-	-	756,873
Donations	-	-	-	-	5,125	5,125
Unreserved:						
Designated	-	-	50,000	409,771	54,149	694,259
Undesignated	430,039	34,718	71,712	-	931,953	6,381,176
<b>Total fund balances</b>	<b>430,039</b>	<b>34,718</b>	<b>121,725</b>	<b>409,898</b>	<b>1,001,877</b>	<b>8,206,187</b>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b>\$ 3,078,824</b>	<b>\$ 34,718</b>	<b>\$ 144,168</b>	<b>\$ 557,292</b>	<b>\$ 1,407,445</b>	<b>\$ 12,923,293</b>

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Friend of the Court	Self Help Road	Restricted	Federal Prisoner Housing	Budget Stabilization	Central Dispatch Authority	Marriage Counseling
<b>Revenues</b>							
Taxes	\$ -	\$ -	\$ 511,232	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	12,810
Intergovernmental revenue	1,935,879	-	-	1,631,985	-	205,690	-
Contributions from local units	-	-	42,467	-	-	-	-
Charges for services	180,436	-	-	196,755	-	613,066	-
Fines and forfeits	-	-	-	-	-	-	-
Interest and rents	-	-	8,512	-	30,915	2,430	-
Other revenue	300	-	-	22,361	-	-	240
Total revenues	2,116,615	-	562,211	1,851,101	30,915	821,186	13,050
<b>Expenditures</b>							
Current:							
General government	2,497,994	-	-	-	-	-	-
Public safety	-	-	-	3,206,594	-	1,810,724	-
Public works	-	603,944	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	562
Recreation and culture	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	2,497,994	603,944	-	3,206,594	-	1,810,724	562
Revenues over (under) expenditures	(381,379)	(603,944)	562,211	(1,355,493)	30,915	(989,538)	12,488
<b>Other financing sources (uses)</b>							
Transfers in	450,368	780,250	-	1,363,563	-	1,008,222	-
Transfers (out)	-	-	(655,365)	-	-	-	-
Total other financing sources (uses)	450,368	780,250	(655,365)	1,363,563	-	1,008,222	-
Net changes in fund balances	68,989	176,306	(93,154)	8,070	30,915	18,684	12,488
Fund balances, beginning of year	80,436	866,884	850,027	8,161	3,012,276	192,280	147,360
<b>Fund balances, end of year</b>	<b>\$ 149,425</b>	<b>\$ 1,043,190</b>	<b>\$ 756,873</b>	<b>\$ 16,231</b>	<b>\$ 3,043,191</b>	<b>\$ 210,964</b>	<b>\$ 159,848</b>

continued...

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Prosecutor Drug Forfeiture	Special Investigation Drug Enforcement	Federally Forfeited Property	OMNI Drug Forfeiture	Forfeited Property Non-Drug	Job Training and Placement	Workforce Investment
<b>Revenues</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-	626,675	1,147,336
Contributions from local units	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	9,742	-	54,601	246,570	-	-	-
Interest and rents	348	593	-	6,089	13	-	-
Other revenue	-	2,154	-	31,575	-	5,383	594
Total revenues	10,090	2,747	54,601	284,234	13	632,058	1,147,930
<b>Expenditures</b>							
Current:							
General government	-	-	-	-	-	-	-
Public safety	16,483	60,823	50,941	137,859	-	-	-
Public works	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	634,360	1,130,365
Recreation and culture	-	-	-	-	-	-	-
Capital outlay	-	-	18,090	-	-	-	-
Total expenditures	16,483	60,823	69,031	137,859	-	634,360	1,130,365
Revenues over (under) expenditures	(6,393)	(58,076)	(14,430)	146,375	13	(2,302)	17,565
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net changes in fund balances	(6,393)	(58,076)	(14,430)	146,375	13	(2,302)	17,565
Fund balances, beginning of year	60,885	84,067	40,353	534,872	1,510	18,368	5,401
<b>Fund balances, end of year</b>	<b>\$ 54,492</b>	<b>\$ 25,991</b>	<b>\$ 25,923</b>	<b>\$ 681,247</b>	<b>\$ 1,523</b>	<b>\$ 16,066</b>	<b>\$ 22,966</b>

continued...

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**

	<b>Senior Citizen</b>	<b>Sheriff Training</b>	<b>Social Services Fairview Infirmary</b>	<b>Probate Court Youth Center</b>	<b>Other Special Revenue funds</b>	<b>Total</b>
<b>Revenues</b>						
Taxes	\$ 2,501,809	\$ -	\$ -	\$ -	\$ 863	\$ 3,013,904
Licenses and permits	-	-	-	-	-	12,810
Intergovernmental revenue	-	21,216	-	1,558,897	23,056	7,150,734
Contributions from local units	-	-	-	-	-	42,467
Charges for services	-	-	-	108,026	200,100	1,298,383
Fines and forfeits	-	-	-	-	6,500	317,413
Interest and rents	33,091	-	-	-	-	81,991
Other revenue	63,429	-	292,567	1,984	653,203	1,073,790
<b>Total revenues</b>	<b>2,598,329</b>	<b>21,216</b>	<b>292,567</b>	<b>1,668,907</b>	<b>883,722</b>	<b>12,991,492</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	142,977	2,640,971
Public safety	-	12,861	-	3,160,824	-	8,457,109
Public works	-	-	-	-	-	603,944
Health and welfare	2,624,930	-	766,425	-	456,692	5,613,334
Recreation and culture	-	-	-	-	1,957	1,957
Capital outlay	-	-	-	-	736,555	754,645
<b>Total expenditures</b>	<b>2,624,930</b>	<b>12,861</b>	<b>766,425</b>	<b>3,160,824</b>	<b>1,338,181</b>	<b>18,071,960</b>
<b>Revenues over (under) expenditures</b>	<b>(26,601)</b>	<b>8,355</b>	<b>(473,858)</b>	<b>(1,491,917)</b>	<b>(454,459)</b>	<b>(5,080,468)</b>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	494,525	792,497	504,000	5,393,425
Transfers (out)	(113,352)	-	-	(6,500)	(25,617)	(800,834)
<b>Total other financing sources (uses)</b>	<b>(113,352)</b>	<b>-</b>	<b>494,525</b>	<b>785,997</b>	<b>478,383</b>	<b>4,592,591</b>
<b>Net changes in fund balances</b>	<b>(139,953)</b>	<b>8,355</b>	<b>20,667</b>	<b>(705,920)</b>	<b>23,924</b>	<b>(487,877)</b>
<b>Fund balances, beginning of year</b>	<b>569,992</b>	<b>26,363</b>	<b>101,058</b>	<b>1,115,818</b>	<b>977,953</b>	<b>8,694,064</b>
<b>Fund balances, end of year</b>	<b>\$ 430,039</b>	<b>\$ 34,718</b>	<b>\$ 121,725</b>	<b>\$ 409,898</b>	<b>\$ 1,001,877</b>	<b>\$ 8,206,187</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Friend of the Court			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	1,949,443	1,949,443	1,935,879	(13,564)
Contributions from local units	-	-	-	-
Charges for services	143,200	143,200	180,436	37,236
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	30,000	30,000	300	(29,700)
Total revenues	2,122,643	2,122,643	2,116,615	(6,028)
<b>Expenditures</b>				
Current:				
General government				
Salaries and wages	1,441,685	1,451,684	1,427,203	(24,481)
Employee benefits	653,935	653,934	678,682	24,748
Services and supplies	477,392	467,391	392,109	(75,282)
Capital outlay	-	-	-	-
Total expenditures	2,573,011	2,573,009	2,497,994	(75,015)
Revenues over (under) expenditures	(450,368)	(450,366)	(381,379)	68,987
<b>Other financing sources (uses)</b>				
Transfers in	450,368	450,368	450,368	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	450,368	450,368	450,368	-
Net changes in fund balances	-	2	68,989	68,987
Fund balances, beginning of year	80,436	80,436	80,436	-
<b>Fund balances, end of year</b>	<b>\$ 80,436</b>	<b>\$ 80,438</b>	<b>\$ 149,425</b>	<b>\$ 68,987</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Self Help Road			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	-	-
<b>Expenditures</b>				
Current:				
Public works				
Services and supplies	185,250	780,250	603,944	(176,306)
Capital outlay	-	-	-	-
Total expenditures	185,250	780,250	603,944	(176,306)
Revenues over (under) expenditures	(185,250)	(780,250)	(603,944)	176,306
<b>Other financing sources (uses)</b>				
Transfers in	780,250	780,250	780,250	-
Transfers (out)	(595,000)	-	-	-
Total other financing sources (uses)	185,250	780,250	780,250	-
Net changes in fund balances	-	-	176,306	176,306
Fund balances, beginning of year	866,884	866,884	866,884	-
<b>Fund balances, end of year</b>	<b>\$ 866,884</b>	<b>\$ 866,884</b>	<b>\$ 1,043,190</b>	<b>\$ 176,306</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Restricted			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ 612,900	\$ 612,900	\$ 511,232	\$ (101,668)
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	42,465	42,465	42,467	2
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	8,512	8,512
Other revenues	-	-	-	-
Total revenues	655,365	655,365	562,211	(93,154)
<b>Expenditures</b>				
Current:				
General government				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	655,365	655,365	562,211	(93,154)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	(655,365)	(655,365)	(655,365)	-
Total other financing sources (uses)	(655,365)	(655,365)	(655,365)	-
Net changes in fund balances	-	-	(93,154)	(93,154)
Fund balances, beginning of year	850,027	850,027	850,027	-
<b>Fund balances, end of year</b>	<b>\$ 850,027</b>	<b>\$ 850,027</b>	<b>\$ 756,873</b>	<b>\$ (93,154)</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Federal Prisoner Housing			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	1,868,800	1,868,800	1,631,985	(236,815)
Contributions from local units	-	-	-	-
Charges for services	215,000	215,000	196,755	(18,245)
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	3,500	3,500	22,361	18,861
Total revenues	2,087,300	2,087,300	1,851,101	(236,199)
<b>Expenditures</b>				
Current:				
Public safety				
Salaries and wages	1,812,768	1,633,012	1,514,048	(118,964)
Employee benefits	1,046,519	936,550	949,415	12,865
Services and supplies	887,265	881,417	743,131	(138,286)
Capital outlay	-	-	-	-
Total expenditures	3,746,552	3,450,979	3,206,594	(244,385)
Revenues over (under) expenditures	(1,659,252)	(1,363,679)	(1,355,493)	8,186
<b>Other financing sources (uses)</b>				
Transfers in	1,659,238	1,363,563	1,363,563	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	1,659,238	1,363,563	1,363,563	-
Net changes in fund balances	(14)	(116)	8,070	8,186
Fund balances, beginning of year	8,161	8,161	8,161	-
<b>Fund balances, end of year</b>	<b>\$ 8,147</b>	<b>\$ 8,045</b>	<b>\$ 16,231</b>	<b>\$ 8,186</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Budget Stabilization			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	40,000	40,000	30,915	(9,085)
Other revenues	-	-	-	-
Total revenues	40,000	40,000	30,915	(9,085)
<b>Expenditures</b>				
Current:				
General government				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	40,000	40,000	30,915	(9,085)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	(40,000)	(40,000)	-	40,000
Total other financing sources (uses)	(40,000)	(40,000)	-	40,000
Net changes in fund balances	-	-	30,915	30,915
Fund balances, beginning of year	3,012,276	3,012,276	3,012,276	-
<b>Fund balances, end of year</b>	<b>\$ 3,012,276</b>	<b>\$ 3,012,276</b>	<b>\$ 3,043,191</b>	<b>\$ 30,915</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Central Dispatch Authority			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	133,446	133,446	205,690	72,244
Contributions from local units	-	-	-	-
Charges for services	601,000	601,000	613,066	12,066
Fines and forfeits	-	-	-	-
Interest and rents	-	-	2,430	2,430
Other revenues	500	500	-	(500)
Total revenues	734,946	734,946	821,186	86,240
<b>Expenditures</b>				
Current:				
Public safety				
Salaries and wages	1,085,573	1,085,573	988,892	(96,681)
Employee benefits	551,530	551,530	529,203	(22,327)
Services and supplies	314,288	326,533	292,629	(33,904)
Capital outlay	-	-	-	-
Total expenditures	1,951,390	1,963,636	1,810,724	(152,912)
Revenues over (under) expenditures	(1,216,444)	(1,228,690)	(989,538)	239,152
<b>Other financing sources (uses)</b>				
Transfers in	1,216,444	1,216,444	1,008,222	(208,222)
Transfers (out)	-	-	-	-
Total other financing sources (uses)	1,216,444	1,216,444	1,008,222	(208,222)
Net changes in fund balances	-	(12,246)	18,684	30,930
Fund balances, beginning of year	192,280	192,280	192,280	-
<b>Fund balances, end of year</b>	<b>\$ 192,280</b>	<b>\$ 180,034</b>	<b>\$ 210,964</b>	<b>\$ 30,930</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Marriage Counseling			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	15,000	15,000	12,810	(2,190)
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	-	-	240	240
Total revenues	15,000	15,000	13,050	(1,950)
<b>Expenditures</b>				
Current:				
General government				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	65,000	65,000	562	(64,438)
Capital outlay	-	-	-	-
Total expenditures	65,000	65,000	562	(64,438)
Revenues over (under) expenditures	(50,000)	(50,000)	12,488	62,488
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	(50,000)	(50,000)	12,488	62,488
Fund balances, beginning of year	147,360	147,360	147,360	-
<b>Fund balances, end of year</b>	<b>\$ 97,360</b>	<b>\$ 97,360</b>	<b>\$ 159,848</b>	<b>\$ 62,488</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Prosecutor Drug Forfeiture			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	5,000	5,000	9,742	4,742
Interest and rents	800	800	348	(452)
Other revenues	-	-	-	-
Total revenues	5,800	5,800	10,090	4,290
<b>Expenditures</b>				
Current:				
Public safety				
Salaries and wages	-	-	2,896	2,896
Employee benefits	-	-	782	782
Services and supplies	-	25,121	12,805	(12,316)
Capital outlay	-	-	-	-
Total expenditures	-	25,121	16,483	(8,638)
Revenues over (under) expenditures	5,800	(19,321)	(6,393)	12,928
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	5,800	(19,321)	(6,393)	12,928
Fund balances, beginning of year	60,885	60,885	60,885	-
<b>Fund balances, end of year</b>	<b>\$ 66,685</b>	<b>\$ 41,564</b>	<b>\$ 54,492</b>	<b>\$ 12,928</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Special Investigation Drug Enforcement			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	500	500	593	93
Other revenues	9,500	9,500	2,154	(7,346)
Total revenues	10,000	10,000	2,747	(7,253)
<b>Expenditures</b>				
Current:				
Public safety				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	10,000	62,108	60,823	(1,285)
Capital outlay	-	-	-	-
Total expenditures	10,000	62,108	60,823	(1,285)
Revenues over (under) expenditures	-	(52,108)	(58,076)	(5,968)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	-	(52,108)	(58,076)	(5,968)
Fund balances, beginning of year	84,067	84,067	84,067	-
<b>Fund balances, end of year</b>	<b>\$ 84,067</b>	<b>\$ 31,959</b>	<b>\$ 25,991</b>	<b>\$ (5,968)</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Federally Forfeited Property			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	40,500	57,913	54,601	(3,312)
Interest and rents	-	-	-	-
Other revenues	-	-	-	-
Total revenues	40,500	57,913	54,601	(3,312)
<b>Expenditures</b>				
Current:				
Public safety				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	33,500	74,702	50,941	(23,761)
Capital outlay	32,000	32,000	18,090	(13,910)
Total expenditures	65,500	106,702	69,031	(37,671)
Revenues over (under) expenditures	(25,000)	(48,789)	(14,430)	34,359
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	(25,000)	(48,789)	(14,430)	34,359
Fund balances, beginning of year	40,353	40,353	40,353	-
<b>Fund balances, end of year</b>	\$ 15,353	\$ (8,436)	\$ 25,923	\$ 34,359

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	OMNI Drug Forfeiture			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	136,708	136,708	246,570	109,862
Interest and rents	5,500	5,500	6,089	589
Other revenues	28,250	28,250	31,575	3,325
Total revenues	170,458	170,458	284,234	113,776
<b>Expenditures</b>				
Current:				
Public safety				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	150,458	150,458	137,859	(12,599)
Capital outlay	20,000	20,000	-	(20,000)
Total expenditures	170,458	170,458	137,859	(32,599)
Revenues over (under) expenditures	-	-	146,375	146,375
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	-	-	146,375	146,375
Fund balances, beginning of year	534,872	534,872	534,872	-
<b>Fund balances, end of year</b>	<b>\$ 534,872</b>	<b>\$ 534,872</b>	<b>\$ 681,247</b>	<b>\$ 146,375</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Forfeited Property			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	13	13
Other revenues	1,500	1,500	-	(1,500)
Total revenues	1,500	1,500	13	(1,487)
<b>Expenditures</b>				
Current:				
Public safety				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,500	1,500	-	(1,500)
Revenues over (under) expenditures	-	-	13	13
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	-	-	13	13
Fund balances, beginning of year	1,510	1,510	1,510	-
<b>Fund balances, end of year</b>	<b>\$ 1,510</b>	<b>\$ 1,510</b>	<b>\$ 1,523</b>	<b>\$ 13</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	<b>Job Training and Placement</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	555,806	884,358	626,675	(257,683)
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	-	-	5,383	5,383
Total revenues	555,806	884,358	632,058	(252,300)
<b>Expenditures</b>				
Current:				
Health and welfare				
Salaries and wages	249,203	377,281	273,687	(103,594)
Employee benefits	102,127	161,609	126,979	(34,630)
Services and supplies	224,612	345,468	233,694	(111,774)
Capital outlay	-	-	-	-
Total expenditures	575,942	884,358	634,360	(249,998)
Revenues over (under) expenditures	(20,136)	-	(2,302)	(2,302)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	(20,136)	-	(2,302)	(2,302)
Fund balances, beginning of year	18,368	18,368	18,368	-
<b>Fund balances, end of year</b>	<b>\$ (1,768)</b>	<b>\$ 18,368</b>	<b>\$ 16,066</b>	<b>\$ (2,302)</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	<b>Workforce Investment</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	1,492,376	1,876,854	1,147,336	(729,518)
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	-	-	594	594
Total revenues	1,492,376	1,876,854	1,147,930	(728,924)
<b>Expenditures</b>				
Current:				
Health and welfare				
Salaries and wages	776,250	967,124	613,866	(353,258)
Employee benefits	298,777	391,893	276,758	(115,135)
Services and supplies	417,482	517,837	239,741	(278,096)
Capital outlay	-	-	-	-
Total expenditures	1,492,509	1,876,854	1,130,365	(746,489)
Revenues over (under) expenditures	(133)	-	17,565	17,565
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances		-	17,565	17,565
Fund balances, beginning of year	5,401	5,401	5,401	-
<b>Fund balances, end of year</b>	<b>\$ 5,401</b>	<b>\$ 5,401</b>	<b>\$ 22,966</b>	<b>\$ 17,565</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Senior Citizen			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ 2,560,669	\$ 2,560,669	\$ 2,501,809	\$ (58,860)
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	14,000	14,000	33,091	19,091
Other revenues	-	800	63,429	62,629
Total revenues	2,574,669	2,575,469	2,598,329	22,860
<b>Expenditures</b>				
Current:				
Health and welfare				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	2,717,790	2,662,376	2,624,930	(37,446)
Capital outlay	-	-	-	-
Total expenditures	2,758,276	2,759,076	2,624,930	(134,146)
Revenues over (under) expenditures	(183,607)	(183,607)	(26,601)	157,006
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	(144,951)	(144,951)	(113,352)	31,599
Total other financing sources (uses)	(144,951)	(144,951)	(113,352)	31,599
Net changes in fund balances	(328,558)	(328,558)	(139,953)	188,605
Fund balances, beginning of year	569,992	569,992	569,992	-
<b>Fund balances, end of year</b>	<b>\$ 241,434</b>	<b>\$ 241,434</b>	<b>\$ 430,039</b>	<b>\$ 188,605</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Sheriff Training			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	20,000	20,000	21,216	1,216
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	-	-	-	-
Total revenues	20,000	20,000	21,216	1,216
<b>Expenditures</b>				
Current:				
Public safety				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	20,000	20,000	12,861	(7,139)
Capital outlay	-	-	-	-
Total expenditures	20,000	20,000	12,861	(7,139)
Revenues over (under) expenditures	-	-	8,355	8,355
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	-	-	8,355	8,355
Fund balances, beginning of year	26,363	26,363	26,363	-
<b>Fund balances, end of year</b>	<b>\$ 26,363</b>	<b>\$ 26,363</b>	<b>\$ 34,718</b>	<b>\$ 8,355</b>

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Social Services Fairview Infirmary					
	Original Budget		Final Budget		Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$	-	\$	-	\$	-
Licenses and permits		-		-		-
Intergovernmental revenues		-		-		-
Contributions from local units		-		-		-
Charges for services		-		-		-
Fines and forfeits		-		-		-
Interest and rents		-		-		-
Other revenues		260,000		290,000		292,567
						2,567
Total revenues		260,000		290,000		292,567
						2,567
Expenditures						
Current:						
Health and welfare						
Salaries and wages		380,792		385,956		375,289
Employee benefits		157,968		163,905		154,103
Services and supplies		215,765		234,665		237,033
Capital outlay		-		-		-
						-
Total expenditures		754,525		784,526		766,425
						(18,101)
Revenues over (under) expenditures		(494,525)		(494,526)		(473,858)
						20,668
Other financing sources (uses)						
Transfers in		494,525		494,525		494,525
Transfers (out)		-		-		-
						-
Total other financing sources (uses)		494,525		494,525		494,525
						-
Net changes in fund balances		-		(1)		20,667
						20,668
Fund balances, beginning of year		101,058		101,058		101,058
						-
Fund balances, end of year	\$	101,058	\$	101,057	\$	121,725
					\$	20,668

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Probate Court Youth Center			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	1,312,134	1,312,134	1,558,897	246,763
Contributions from local units	-	-	-	-
Charges for services	125,000	125,000	108,026	(16,974)
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	15,300	15,300	1,984	(13,316)
Total revenues	1,452,434	1,452,434	1,668,907	216,473
<b>Expenditures</b>				
Current:				
Public safety				
Salaries and wages	1,579,112	1,580,113	1,519,755	(60,358)
Employee benefits	651,382	655,381	647,463	(7,918)
Services and supplies	1,192,281	1,251,314	993,606	(257,708)
Capital outlay	-	-	-	-
Total expenditures	3,422,774	3,486,808	3,160,824	(325,984)
Revenues over (under) expenditures	(1,970,340)	(2,034,374)	(1,491,917)	542,457
<b>Other financing sources (uses)</b>				
Transfers in	1,769,986	1,769,986	792,497	(977,489)
Transfers (out)	-	(6,500)	(6,500)	-
Total other financing sources (uses)	1,769,986	1,763,486	785,997	(977,489)
Net changes in fund balances	(200,353)	(270,888)	(705,920)	(435,032)
Fund balances, beginning of year	1,115,818	1,115,818	1,115,818	-
<b>Fund balances, end of year</b>	\$ 915,465	\$ 844,930	\$ 409,898	\$ (435,032)

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Other Special Revenue Funds			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ 340	\$ 863	\$ 523
Licenses and permits	-	-	-	-
Intergovernmental revenues	40,000	40,000	23,056	(16,944)
Contributions from local units	-	-	-	-
Charges for services	200,000	200,000	200,100	100
Fines and forfeits	5,000	5,000	6,500	1,500
Interest and rents	-	-	-	-
Other revenues	1,008,633	1,008,633	653,203	(355,430)
Total revenues	1,253,633	1,253,973	883,722	(370,251)
<b>Expenditures</b>				
Current:				
General government				
Salaries and wages	56,942	56,942	57,800	858
Employee benefits	25,012	25,012	25,471	459
Services and supplies	36,612	76,952	59,706	(17,246)
Health and welfare				
Salaries and wages	4,000	4,000	3,763	(237)
Employee benefits	-	-	-	-
Services and supplies	898,282	898,282	452,929	(445,353)
Recreation and culture				
Salaries and wages	3,950	3,950	1,957	(1,993)
Services and supplies	550	550	-	(550)
Capital outlay	786,434	1,432,034	736,555	(695,479)
Total expenditures	1,811,782	2,497,722	1,338,181	(1,159,541)
Revenues over (under) expenditures	(558,149)	(1,243,749)	(454,459)	789,290
<b>Other financing sources (uses)</b>				
Transfers in	504,000	504,000	504,000	-
Transfers (out)	-	(26,000)	(25,617)	383
Total other financing sources (uses)	504,000	478,000	478,383	383
Net changes in fund balances	(54,149)	(765,749)	23,924	789,673
Fund balances, beginning of year	977,953	977,953	977,953	-
<b>Fund balances, end of year</b>	<b>\$ 923,804</b>	<b>\$ 212,204</b>	<b>\$ 1,001,877</b>	<b>\$ 789,673</b>

# NONMAJOR ENTERPRISE FUNDS

## Equipment Rental Enterprise Fund

- Accounts for the reimbursement to the County by Drain districts for the use of county equipment and drain maintenance and repair.

## Printing Enterprise Fund

- Accounts for the reimbursement of the printing department costs by user departments, government entities and agencies.

## Engineering Enterprise Fund

- Accounts for the reimbursement to the County by Drain Districts for the services of engineers, who are employed by the County.

## Inmate Commissary Enterprise Fund

- Used to account for the concession activity for inmates in the county jails.

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**December 31, 2004**

	<b>Equipment Rental</b>	<b>Printing</b>	<b>Engineering</b>	<b>Inmate Commissary</b>	<b>Total</b>
<b><u>ASSETS</u></b>					
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 157,938	\$ 105,501	\$ 68,611	\$ 81,199	\$ 413,249
Due from other governments	-	5,160	-	-	5,160
Due from component unit	67,973	-	-	-	67,973
Noncurrent assets:					
Capital assets, net	46,520	2,313	-	-	48,833
<b><u>TOTAL ASSETS</u></b>	<b>\$ 272,431</b>	<b>\$ 112,974</b>	<b>\$ 68,611</b>	<b>\$ 81,199</b>	<b>\$ 535,215</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>					
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	\$ 15,797	\$ -	\$ -	\$ 3,597	\$ 19,394
Accrued wages and fringes	1,740	1,566	2,352	-	5,658
Due to other funds	4,984	4,473	6,015	-	15,472
Total liabilities	22,521	6,039	8,367	3,597	40,524
<b>Net assets</b>					
Invested in capital assets	46,520	2,313	-	-	48,833
Unrestricted	203,390	104,622	60,244	77,602	445,858
Total net assets	249,910	106,935	60,244	77,602	494,691
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b>\$ 272,431</b>	<b>\$ 112,974</b>	<b>\$ 68,611</b>	<b>\$ 81,199</b>	<b>\$ 535,215</b>

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Fund Net Assets**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2004**

	<b>Equipment Rental</b>	<b>Printing</b>	<b>Engineering</b>	<b>Inmate Commissary</b>	<b>Total</b>
<b>Operating revenues</b>					
Charges for services	\$ 86,757	\$ 154,205	\$ 106,033	\$ 52,344	\$ 399,339
Other operating revenue	152,295	-	-	-	152,295
Total operating revenues	239,052	154,205	106,033	52,344	551,634
<b>Operating expense</b>					
Cost of services	248,887	161,650	98,410	37,046	545,993
Depreciation	21,565	3,647	-	-	25,212
Total operating expense	270,452	165,297	98,410	37,046	571,205
Operating income (loss)	(31,400)	(11,092)	7,623	15,298	(19,571)
<b>Transfers in</b>	-	-	14,117	-	14,117
Change in net assets	(31,400)	(11,092)	21,740	15,298	(5,454)
Net assets, beginning of year	281,310	118,027	38,504	62,304	500,145
<b>Net assets, end of year</b>	<u>\$ 249,910</u>	<u>\$ 106,935</u>	<u>\$ 60,244</u>	<u>\$ 77,602</u>	<u>\$ 494,691</u>

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2004**

	Equipment Rental	Printing	Engineering	Inmate Commissary	Total
<b>Cash flows from operating activities</b>					
Cash received from customers	\$ 197,068	\$ 154,263	\$ 106,033	\$ 52,344	\$ 509,708
Cash payments to suppliers for goods and services	(122,406)	(52,150)	(8,786)	(33,550)	(216,892)
Cash payments for employee services	(110,324)	(111,864)	(91,947)	-	(314,135)
Net cash provided by (used in) operating activities	(35,662)	(9,751)	5,300	18,794	(21,319)
<b>Cash flows from non-capital financing activities</b>					
Transfers in	-	-	14,117	-	14,117
<b>Cash flows from capital and related financing activities</b>					
Repayment of long-term advance	(32,455)	-	-	-	(32,455)
Net cash provided by (used in) capital and related financing activities	(32,455)	-	-	-	(32,455)
Net increase (decrease) in cash and cash equivalents	(68,117)	(9,751)	19,417	18,794	(39,657)
Cash and cash equivalents, beginning of year	226,055	115,252	49,194	62,405	452,906
<b>Cash and cash equivalents, end of year</b>	<b>\$ 157,938</b>	<b>\$ 105,501</b>	<b>\$ 68,611</b>	<b>\$ 81,199</b>	<b>\$ 413,249</b>

(Continued...)

**COUNTY OF MONROE, MICHIGAN  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2004**

	<b>Equipment Rental</b>	<b>Printing</b>	<b>Engineering</b>	<b>Inmate Commissary</b>	<b>Total</b>
<b>Cash flows from operating activities</b>					
Operating income (loss)	\$ (31,400)	\$ (11,092)	\$ 7,623	\$ 15,298	\$ (19,571)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	21,565	3,647	-	-	25,212
(Increase) decrease in:					
Due from other governments	-	58	-	-	58
Due from component unit	(41,984)	-	-	-	(41,984)
Increase (decrease) in:					
Accounts payable	9,433	(144)	(147)	3,496	12,638
Accrued wages and fringes	1,740	(1,867)	(1,648)	-	(1,775)
Due to other funds	4,984	(353)	(528)	-	4,103
Net cash provided by (used in) operating activities	\$ (35,662)	\$ (9,751)	\$ 5,300	\$ 18,794	\$ (21,319)

# INTERNAL SERVICE FUNDS

Office Equipment Pool Fund	<ul style="list-style-type: none"><li>• Used to record the operations of an office equipment pool.</li></ul>
Telephone Fund	<ul style="list-style-type: none"><li>• Accounts for the reimbursement of telephone costs by user departments.</li></ul>
Compensated Absences Fund	<ul style="list-style-type: none"><li>• Established to record the liability for compensated absences and related costs.</li></ul>
Dental Insurance Fund	<ul style="list-style-type: none"><li>• Established to accumulate and disburse monies related to dental insurance claims.</li></ul>
Unemployment Compensation Fund	<ul style="list-style-type: none"><li>• Established to accumulate and disburse monies related to unemployment compensation claims.</li></ul>
Health Insurance Fund	<ul style="list-style-type: none"><li>•</li><li>• Established to accumulate and disburse monies related to health insurance claims.</li></ul>
Workers' Compensation Fund	<ul style="list-style-type: none"><li>• Established to accumulate and disburse monies related to workers' compensation claims.</li></ul>
Long-Term Disability Fund	<ul style="list-style-type: none"><li>• Established in order to pay employee wages and certain benefits while on short or long-term disability.</li></ul>
Liability Insurance Fund	<ul style="list-style-type: none"><li>• Established in order to pay the liability insurance of the County.</li></ul>
Tax Collection Insurance Fund	<ul style="list-style-type: none"><li>• Established to accumulate and disburse monies related to insurance for local entities for tax collection requirements.</li></ul>

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**December 31, 2004**

	Office Equipment Pool	Telephone	Compensated Absences	Dental Insurance	Unemployment Compensation	Health Insurance	Worker's Compensation	Long-Term Disability	Liability Insurance	Tax Collection Insurance	Total
<b>ASSETS</b>											
Assets											
Current assets:											
Cash and cash equivalents	\$ 169,203	\$ 137,140	\$ -	\$ 102,253	\$ 108,225	\$ 676,115	\$ 345,195	\$ 239,395	\$ 57,965	\$ 948	\$ 1,836,439
Investments	-	-	-	-	500,000	1,000,000	-	-	150,000	-	1,650,000
Accounts receivable	-	-	-	-	-	93,832	-	2,367	-	-	96,199
Due from other governments	-	9,558	-	-	-	-	-	-	-	-	9,558
Due from other funds	-	-	1,585,240	-	-	-	-	-	-	-	1,585,240
Noncurrent assets:											
Restricted assets - cash and cash equivalents	-	-	-	-	-	-	-	-	249,652	-	249,652
Capital assets being depreciated, net	453,729	-	-	-	-	-	-	-	-	-	453,729
<b>TOTAL ASSETS</b>	<b>\$ 622,932</b>	<b>\$ 146,698</b>	<b>\$ 1,585,240</b>	<b>\$ 102,253</b>	<b>\$ 608,225</b>	<b>\$ 1,769,947</b>	<b>\$ 345,195</b>	<b>\$ 241,762</b>	<b>\$ 457,617</b>	<b>\$ 948</b>	<b>\$ 5,880,817</b>
<b>LIABILITIES AND NET ASSETS</b>											
Liabilities											
Current liabilities:											
Accounts payable	\$ -	\$ 49,752	\$ -	\$ 28,852	\$ -	\$ -	\$ 6,760	\$ -	\$ -	\$ -	\$ 85,364
Other accrued liabilities	-	-	-	32,481	1,274	275,271	246,139	16,444	222,389	-	793,998
Noncurrent liabilities:											
Advances from other funds	507,017	-	-	-	-	-	-	-	-	-	507,017
Compensated absences payable	-	-	1,585,240	-	-	-	-	-	-	-	1,585,240
Total liabilities	507,017	49,752	1,585,240	61,333	1,274	275,271	252,899	16,444	222,389	-	2,971,619
<b>Net assets</b>											
Invested in capital assets	453,729	-	-	-	-	-	-	-	-	-	453,729
Unrestricted (deficit)	(337,814)	96,946	-	40,920	606,951	1,494,676	92,296	225,318	235,228	948	2,455,469
Total net assets	115,915	96,946	-	40,920	606,951	1,494,676	92,296	225,318	235,228	948	2,909,198
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 622,932</b>	<b>\$ 146,698</b>	<b>\$ 1,585,240</b>	<b>\$ 102,253</b>	<b>\$ 608,225</b>	<b>\$ 1,769,947</b>	<b>\$ 345,195</b>	<b>\$ 241,762</b>	<b>\$ 457,617</b>	<b>\$ 948</b>	<b>\$ 5,880,817</b>

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the Year Ended December 31, 2004**

	Office Equipment Pool	Telephone	Compensated Absences	Dental Insurance	Unemployment Compensation	Health Insurance	Worker's Compensation	Long-Term Disability	Liability Insurance	Tax Collection Insurance	Total
<b>Operating revenues</b>											
Charges for services	\$ -	\$ 164,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	164,433
Employer contributions	-	-	-	438,618	267,020	7,417,477	427,501	514,540	828,806	-	9,893,962
Employee contributions	-	-	-	2,742	-	84,842	-	-	-	-	87,584
Other revenue	133,598	50,081	-	37,383	-	187,233	-	4,367	9,520	12,671	434,853
Total operating revenues	133,598	214,514	-	478,743	267,020	7,689,552	427,501	518,907	838,326	12,671	10,580,832
<b>Operating expense</b>											
Administrative costs	-	170,690	-	46,983	-	-	56,360	5,611	-	-	279,644
Benefit payments	-	-	-	466,066	11,785	7,636,090	83,919	227,456	-	-	8,425,316
Liability insurance	-	-	-	-	-	-	-	-	717,614	13,249	730,863
Depreciation	57,819	-	-	-	-	-	-	-	-	-	57,819
Total operating expense	57,819	170,690	-	513,049	11,785	7,636,090	140,279	233,067	717,614	13,249	9,493,642
Operating income (loss)	75,779	43,824	-	(34,306)	255,235	53,462	287,222	285,840	120,712	(578)	1,087,190
<b>Non-operating revenue</b>											
Interest earned on investments	-	-	-	-	7,750	16,226	-	2,421	2,623	-	29,020
Income before transfers	75,779	43,824	-	(34,306)	262,985	69,688	287,222	288,261	123,335	(578)	1,116,210
<b>Transfers</b>											
Transfers (out)	-	-	-	-	(320,000)	-	-	(320,000)	-	-	(640,000)
Total transfers	-	-	-	-	(320,000)	-	-	(320,000)	-	-	(640,000)
Change in net assets	75,779	43,824	-	(34,306)	(57,015)	69,688	287,222	(31,739)	123,335	(578)	476,210
Net assets, beginning of year as restated	40,136	53,122	-	75,226	663,966	1,424,988	(194,926)	257,057	111,893	1,526	2,432,988
<b>Net assets, end of year</b>	\$ 115,915	\$ 96,946	\$ -	\$ 40,920	\$ 606,951	\$ 1,494,676	\$ 92,296	\$ 225,318	\$ 235,228	\$ 948	\$ 2,909,198

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2004**

	Office Equipment Pool	Telephone	Compensated Absences	Dental Insurance	Unemployment Compensation	Health Insurance	Worker's Compensation	Long-Term Disability	Liability Insurance	Tax Collection Insurance	Total
<b>Cash flows from operating activities</b>											
Cash received from customers	\$ 133,598	\$ 204,956	-	\$ 478,743	\$ 267,020	\$ 7,602,196	\$ 427,501	\$ 516,540	\$ 838,326	\$ 12,671	\$ 10,481,551
Cash payments to suppliers for goods and services	(132,005)	(132,005)	-	-	-	-	-	-	(943,251)	(13,249)	(1,088,505)
Cash payments for employee benefits	-	-	-	(416,801)	(15,571)	(7,646,685)	(236,802)	(284,548)	-	-	(8,600,407)
Net cash provided by (used in) operating activities	133,598	72,951	-	61,942	251,449	(44,489)	190,699	231,992	(104,925)	(578)	792,639
<b>Cash flows from non-capital financing activities</b>											
Transfers out	-	-	-	-	(320,000)	-	-	(320,000)	-	-	(640,000)
Net cash used by non-capital financial activities	-	-	-	-	(320,000)	-	-	(320,000)	-	-	(640,000)
<b>Cash flows from capital and related financing activities</b>											
Purchase of capital assets	(8,796)	-	-	-	-	-	-	-	-	-	(8,796)
Repayment of long-term advances	(80,643)	-	-	-	-	-	-	-	-	-	(80,643)
Net cash used by capital and related financing activities	(89,439)	-	-	-	-	-	-	-	-	-	(89,439)
<b>Cash flows from investing activities</b>											
Purchase of investments	-	-	-	-	(500,000)	(1,000,000)	-	-	(150,000)	-	(1,650,000)
Interest received	-	-	-	-	7,750	16,226	-	2,421	2,623	-	29,020
Net cash used by investing activities	-	-	-	-	(492,250)	(983,774)	-	2,421	(147,377)	-	(1,620,980)
<b>Net increase (decrease) in cash and cash equivalents</b>	44,159	72,951	-	61,942	(560,801)	(1,028,263)	190,699	(85,587)	(252,302)	(578)	(1,557,780)
Cash and cash equivalents, beginning of year	125,044	64,189	-	40,311	669,026	1,704,378	154,496	324,982	559,919	1,526	3,643,871
<b>Cash and cash equivalents, end of year</b>	\$ 169,203	\$ 137,140	\$ -	\$ 102,253	\$ 108,225	\$ 676,115	\$ 345,195	\$ 239,395	\$ 307,617	\$ 948	\$ 2,086,091

(continued...)

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2004**

Office Equipment Pool	Telephone	Compensated Absences	Dental Insurance	Unemployment Compensation	Health Insurance	Worker's Compensation	Long-Term Disability	Liability Insurance	Tax Collection Insurance	Total
\$ 75,779	\$ 43,824	\$ -	\$ (34,306)	\$ 255,235	\$ 53,462	\$ 287,222	\$ 285,840	\$ 120,712	\$ (578)	\$ 1,087,190
57,819	-	-	-	-	-	-	-	-	-	57,819
-	-	-	-	-	(87,356)	-	(2,367)	-	-	(89,723)
-	(9,558)	-	-	-	-	-	-	-	-	(9,558)
-	-	245,577	-	-	-	-	-	-	-	245,577
-	38,685	-	28,852	-	-	(1,676)	(800)	-	-	65,061
-	-	-	67,396	(3,786)	(10,595)	(94,847)	(50,681)	(225,637)	-	(318,150)
-	-	(245,577)	-	-	-	-	-	-	-	(245,577)
\$ 133,598	\$ 72,951	\$ -	\$ 61,942	\$ 251,449	\$ (44,489)	\$ 190,695	\$ 231,992	\$ (104,925)	\$ (578)	\$ 792,639

**Cash flows from operating activities**

Operating income (loss)  
Adjustments to reconcile operating income (loss)  
to net cash provided by operating activities:  
Depreciation expense  
(Increase) decrease in:  
Accounts receivable  
Due from other governments  
Due from other funds  
Increase (decrease) in:  
Accounts payable  
Other accrued liabilities - IBNR  
Compensated absences payable

Net cash provided by (used in) operating activities

# FIDUCIARY FUNDS

Retirement System Trust Fund	<ul style="list-style-type: none"><li>• Used to account for the financial operations of the Monroe County Employees' Retirement System. The system is administered by a nine-member board of trustees, while the County acts as the custodian of the system.</li></ul>
Retiree Health Insurance Trust Fund	<ul style="list-style-type: none"><li>• Used to account for the operations of this fund for current retiree hospitalization benefits and their subsequent disbursement.</li></ul>
General Agency Fund	<ul style="list-style-type: none"><li>• Used to account for monies deposited with the County Treasurer that are to be released at a later date.</li></ul>
Current Tax Levy Agency Fund	<ul style="list-style-type: none"><li>• Used to record the collection of current property taxes and their subsequent disbursement to various municipalities, school districts and other governmental units.</li></ul>
Imprest Payroll Agency Fund	<ul style="list-style-type: none"><li>• Used to account for the County's payroll and related withholdings.</li></ul>
Court Orders Agency Fund	<ul style="list-style-type: none"><li>• Used to account for bond and other monies held by the Circuit Court.</li></ul>
Penal Fines Agency Fund	<ul style="list-style-type: none"><li>• Used to account for monies received by the District and Circuit Courts for penal fines that are subsequently disbursed to public libraries.</li></ul>
Escheats Probate Court Agency Fund	<ul style="list-style-type: none"><li>• Used to account for monies that have not been claimed and are subsequently disbursed to the State of Michigan.</li></ul>
Clearing Account Agency Fund	<ul style="list-style-type: none"><li>• Used as a clearing account for the County's disbursements.</li></ul>

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Fiduciary Net Assets**  
**Pension and Other Employee Benefit Trust Funds**  
**December 31, 2004**

	<b>Employees' Retirement System</b>	<b>Retiree Health Insurance</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 460,434	\$ 460,434
Investments at fair value:			
U.S. Government obligations	28,003,360	2,260,538	30,263,898
Corporate bonds	26,254,119	2,100,653	28,354,772
Corporate stocks	80,314,077	5,504,375	85,818,452
International stocks	13,233,565	-	13,233,565
Money Market investments	6,946,570	476,065	7,422,635
Accounts receivable	1,968	-	1,968
Interest receivable	916,273	-	916,273
	<hr/>		
Total assets	155,669,932	10,802,065	166,471,997
<b>Liabilities</b>			
Accounts payable	133,300	11,554	144,854
	<hr/>		
<b>Net assets held in trust for pension benefits and other purposes</b>	<b>\$ 155,536,632</b>	<b>\$ 10,790,511</b>	<b>\$ 166,327,143</b>
	<hr/> <hr/>		

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Changes in Plan Net Assets**  
**Pension and Other Employee Benefit Trust Funds**  
**For the Year Ended December 31, 2004**

	Employees' Retirement System	Retiree Health Insurance	Total
<b>Additions</b>			
Investment income:			
<i>From investing activities</i>			
Net appreciation in fair value of investments	\$ 8,156,718	\$ 479,948	\$ 8,636,666
Interest and dividends	4,506,279	350,610	4,856,889
Total investment gain	12,662,997	830,558	13,493,555
Less: investment management fees	(901,632)	(102,949)	(1,004,581)
Net gain from investing activities	11,761,365	727,609	12,488,974
<i>From securities lending activities</i>			
Gross earnings	337,702	-	337,702
Borrower rebates	(282,223)	-	(282,223)
Security lending fees	(22,129)	-	(22,129)
Net income from securities lending activities	33,350	-	33,350
Total net investment gain	11,794,715	727,609	12,522,324
Contributions:			
Employer	1,411,037	2,668,696	4,079,733
Employee	295,645	219,739	515,384
Time purchase	14,641	-	14,641
Total contributions	1,721,323	2,888,435	4,609,758
Total additions	13,516,038	3,616,044	17,132,082
<b>Deductions</b>			
Benefit payments	5,276,676	1,752,774	7,029,450
Refunds of contributions	591,245	26,522	617,767
Administrative expenses/premiums paid	516,584	21,600	538,184
Total deductions	6,384,505	1,800,896	8,185,401
Net additions (deductions) to net assets held in trust	7,131,533	1,815,148	8,946,681
<b>Net assets held in trust for pension benefits and other purposes</b>			
Beginning of year	148,405,099	8,975,363	157,380,462
End of year	\$ 155,536,632	\$ 10,790,511	\$ 166,327,143

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Assets and Liabilities**  
**All Agency Funds**  
**December 31, 2004**

	General Agency	Current Tax Collection	Imprest Payroll	Court Orders	Penal Fines	Escheats Probate Court	Clearing Account	Total
<b>Assets</b>								
Cash and cash equivalents	\$ 636,992	\$ 2,046,791	\$ 5,487	\$ 18	\$ 7,125	\$ 13,556	\$ 3,195	\$ 2,713,164
Investments	500,000	1,500,000	-	-	-	-	-	2,000,000
<b>Total assets</b>	<b>\$ 1,136,992</b>	<b>\$ 3,546,791</b>	<b>\$ 5,487</b>	<b>\$ 18</b>	<b>\$ 7,125</b>	<b>\$ 13,556</b>	<b>\$ 3,195</b>	<b>\$ 4,713,164</b>
<b>Liabilities</b>								
Accounts payable	\$ 5,179	\$ -	\$ 267	\$ -	\$ -	\$ -	\$ 3,195	\$ 8,641
Due to other governments	471,108	-	4,749	-	7,125	-	-	482,982
Undistributed taxes - current levy	-	3,546,791	-	-	-	-	-	3,546,791
Undistributed taxes - other	68,621	-	-	-	-	-	-	68,621
Other undistributed receipts	592,084	-	471	18	-	13,556	-	606,129
<b>Total liabilities</b>	<b>\$ 1,136,992</b>	<b>\$ 3,546,791</b>	<b>\$ 5,487</b>	<b>\$ 18</b>	<b>\$ 7,125</b>	<b>\$ 13,556</b>	<b>\$ 3,195</b>	<b>\$ 4,713,164</b>

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended December 31, 2004**

	Beginning Balance	Additions	Deductions	Ending Balance
<b><u>General Agency</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 421,054	\$ 7,780,961	7,565,023	\$ 636,992
Investments	750,000	-	250,000	500,000
<b>Total assets</b>	<b>\$ 1,171,054</b>	<b>\$ 7,780,961</b>	<b>\$ 7,815,023</b>	<b>\$ 1,136,992</b>
<b>Liabilities</b>				
Accounts payable	\$ 17,065	\$ 8,120,216	\$ 8,132,102	\$ 5,179
Due to other governments	428,292	6,908,505	6,865,689	471,108
Undistributed taxes - other	119,584	176,558	227,521	68,621
Other undistributed receipts	606,113	943,229	957,258	592,084
<b>Total liabilities</b>	<b>\$ 1,171,054</b>	<b>\$ 16,148,508</b>	<b>\$ 16,182,570</b>	<b>\$ 1,136,992</b>
<b><u>Current Tax Collection</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,582,535	\$ 85,342,097	\$ 85,877,841	\$ 2,046,791
Investments	-	1,500,000	-	1,500,000
<b>Total assets</b>	<b>\$ 2,582,535</b>	<b>\$ 86,842,097</b>	<b>\$ 85,877,841</b>	<b>\$ 3,546,791</b>
<b>Liabilities</b>				
Accounts payable	\$ 67,782	\$ 42,925,174	\$ 42,992,956	\$ -
Undistributed taxes - current levy	2,514,753	69,063,176	68,031,138	3,546,791
<b>Total liabilities</b>	<b>\$ 2,582,535</b>	<b>\$ 111,988,350</b>	<b>\$ 111,024,094</b>	<b>\$ 3,546,791</b>

continued...

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended December 31, 2004**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
<b><u>Imprest Payroll</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 88,519	\$ 37,325,113	\$ 37,408,145	\$ 5,487
<b>Liabilities</b>				
Accounts payable	\$ 129	\$ 4,054,810	\$ 4,054,672	\$ 267
Due to other governments	86,989	8,702,416	8,784,656	4,749
Other undistributed receipts	1,401	21,590,146	21,591,076	471
<b>Total liabilities</b>	<b>\$ 88,519</b>	<b>\$ 34,347,372</b>	<b>\$ 34,430,404</b>	<b>\$ 5,487</b>
<b><u>Court Orders</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 18	\$ -	\$ -	\$ 18
<b>Liabilities</b>				
Other undistributed receipts	\$ 18	\$ -	\$ -	\$ 18

continued...

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended December 31, 2004**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
<b><u>Penal Fines</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 8,872	\$ 1,088,216	\$ 1,089,963	\$ 7,125
<b>Liabilities</b>				
Due to other governments	\$ 8,872	\$ 1,088,216	\$ 1,089,963	\$ 7,125
<b><u>Escheats Probate Court</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 10,153	\$ 13,556	\$ 10,153	\$ 13,556
<b>Liabilities</b>				
Other undistributed receipts	\$ 10,153	\$ 13,556	\$ 10,153	\$ 13,556

continued...

**COUNTY OF MONROE, MICHIGAN**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended December 31, 2004**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
<b><u>Clearing Account</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1,075	\$ 4,270	\$ 2,150	\$ 3,195
<b>Liabilities</b>				
Accounts payable	\$ 1,075	\$ 4,270	\$ 2,150	\$ 3,195
<b><u>Total Agency Funds</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 3,112,226	\$ 131,554,213	\$ 131,953,275	\$ 2,713,164
Investments	750,000	1,500,000	250,000	2,000,000
<b>Total assets</b>	<b>\$ 3,862,226</b>	<b>\$ 133,054,213</b>	<b>\$ 132,203,275</b>	<b>\$ 4,713,164</b>
<b>Liabilities</b>				
Accounts payable	\$ 86,051	\$ 55,104,470	\$ 55,181,880	\$ 8,641
Due to other governments	524,153	16,699,137	16,740,308	482,982
Undistributed taxes - current levy	2,514,753	69,063,176	68,031,138	3,546,791
Undistributed taxes - other	119,584	176,558	227,521	68,621
Other undistributed receipts	617,685	22,546,931	22,558,487	606,129
<b>Total liabilities</b>	<b>\$ 3,862,226</b>	<b>\$ 163,590,272</b>	<b>\$ 162,739,334</b>	<b>\$ 4,713,164</b>

**CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS**

**COUNTY OF MONROE, MICHIGAN**  
**Comparative Schedule of Capital Assets Used in the**  
**Operation of Governmental Funds by Source**  
**December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Capital assets used in governmental funds :		
Land and improvements	\$ 625,137	\$ 603,137
Buildings and improvements	48,881,693	48,771,581
Machinery and equipment	10,739,097	5,622,250
Vehicular equipment	2,028,915	1,997,070
Construction in progress	660,528	40,902
	<hr/>	<hr/>
Total capital assets used in governmental funds	<u>\$ 62,935,370</u>	<u>\$ 57,034,940</u>
Capital assets used in governmental funds by source:		
General fund	\$ 26,356,992	\$ 26,246,823
Special revenue funds	2,820,949	3,588,489
Capital projects funds	33,757,429	27,199,628
	<hr/>	<hr/>
Total capital assets used in governmental funds	<u>\$ 62,935,370</u>	<u>\$ 57,034,940</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Capital Assets Used in the**  
**Operation of Governmental Funds**  
**By Function and Activity**  
**December 31, 2004**

	Land and Improvements	Buildings and Improvements	Machinery and Equipment	Vehicular Equipment	Construction in Progress	Total
<b>General government</b>						
District Court	-	222,542	312,438	21,639	-	556,619
Probate Court	-	-	34,180	-	-	34,180
Clerk/Register of Deeds	-	-	245,693	-	-	245,693
General Services Administration	233,323	16,256,493	2,941,310	80,527	-	19,511,653
Treasurer	-	-	5,500	-	-	5,500
Total general government	233,323	16,479,035	3,539,121	102,166	-	20,353,645
<b>Public safety</b>						
Law Enforcement and Corrections - Sheriff	-	18,917,990	1,747,346	1,516,141	-	22,181,477
Youth Center	-	1,327,354	42,261	16,400	-	1,386,015
Emergency Management Division	-	590,009	496,998	15,745	-	1,102,752
Central Dispatch	-	45,000	4,767,485	46,263	660,528	5,519,276
Animal Control Division	-	453,077	-	98,409	-	551,486
Total public safety	-	21,333,430	7,054,090	1,692,958	660,528	30,741,006
<b>Public works - Drain Commissioner</b>	-	-	20,982	151,930	-	172,912
<b>Health and welfare</b>						
Public Health Department	-	2,343,463	47,930	71,281	-	2,462,674
Community Mental Health	-	2,547,634	-	-	-	2,547,634
Fairview Infirmary	-	1,459,889	22,035	-	-	1,481,924
Total health and welfare	-	6,350,986	69,965	71,281	-	6,492,232
<b>Community and economic development</b>	-	-	21,540	-	-	21,540
<b>Culture and recreation</b>						
Historical Commission	-	1,903,322	-	10,580	-	1,913,902
Parks and Recreation	391,814	159,996	33,399	-	-	585,209
Library System	-	2,654,924	-	-	-	2,654,924
Total culture and recreation	391,814	4,718,242	33,399	10,580	-	5,154,035
<b>Total capital assets used in governmental funds</b>	\$ 625,137	\$ 48,881,693	\$ 10,739,097	\$ 2,028,915	\$ 660,528	\$ 62,935,370

**COUNTY OF MONROE, MICHIGAN**  
**Schedule of Changes in Capital Assets Used in the**  
**Operation of Governmental Funds**  
**By Function and Activity**  
**For the Year Ended December 31, 2004**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>General government</b>					
Circuit Court	\$ 6,800	\$ -	\$ 6,800	\$ -	\$ -
District Court	539,599	32,020	10,000	(5,000)	556,619
Probate Court	44,180	-	10,000	-	34,180
Board of Commissioners	17,247	-	-	(17,247)	-
Clerk/Register of Deeds	62,881	-	7,372	190,184	245,693
General Services Administration	20,665,095	779,090	1,500,404	(432,128)	19,511,653
Treasurer	11,347	-	5,847	-	5,500
Total general government	21,347,149	811,110	1,540,423	(264,191)	20,353,645
<b>Public safety</b>					
Law Enforcement and Corrections - Sheriff	21,026,974	1,541,599	429,119	42,023	22,181,477
Youth Center	1,308,419	77,596	-	-	1,386,015
Emergency Management Division	740,635	368,117	150,500	144,500	1,102,752
Central Dispatch	490,898	5,192,878	-	(164,500)	5,519,276
Animal Control Division	564,215	12,197	24,926	-	551,486
Total public safety	24,131,141	7,192,387	604,545	22,023	30,741,006
<b>Public works - Drain Commissioner</b>	22,802	-	-	150,110	172,912
<b>Health and welfare</b>					
Public Health Department	2,371,215	45,500	12,700	58,659	2,462,674
Community Mental Health	2,547,634	-	-	-	2,547,634
Fairview Infirmary	1,481,924	-	-	-	1,481,924
Total health and welfare	6,400,773	45,500	12,700	58,659	6,492,232
<b>Planning and development</b>	34,439	-	12,899	-	21,540
<b>Culture and recreation</b>					
Historical Commission	1,913,902	-	-	-	1,913,902
Parks and Recreation	529,810	22,000	-	33,399	585,209
Library System	2,654,924	-	-	-	2,654,924
Total culture and recreation	5,098,636	22,000	-	33,399	5,154,035
<b>Total capital assets used in governmental funds</b>	<b>\$ 57,034,940</b>	<b>\$ 8,070,997</b>	<b>\$ 2,170,567</b>	<b>\$ -</b>	<b>\$ 62,935,370</b>

**DRAIN  
COMPONENT UNIT**

**COUNTY OF MONROE, MICHIGAN**  
**Statement of Net Assets / Governmental Funds Balance Sheet**  
**Drain Commission Component Unit**  
**December 31, 2004**

	Debt Service Special Drain	Capital Projects			Total	Adjustments	Statement of Net Assets
		Drain	Special Drain	Drain Revolving			
<b>Assets</b>							
Cash and cash equivalents	\$ 5,665	\$ 1,838,260	\$ 359,692	\$ 175,811	\$ 2,379,428	\$ -	\$ 2,379,428
Special assessments receivable	139,206	652,584	-	-	791,790	-	791,790
Unlevied special assessments	1,170,000	-	-	-	1,170,000	-	1,170,000
Due from other funds	16,160	-	-	424,189	440,349	(440,349)	-
Capital assets, net	-	-	-	-	-	20,051,791	20,051,791
Total assets	\$ 1,331,031	\$ 2,490,844	\$ 359,692	\$ 600,000	\$ 4,781,567	\$ 19,611,442	\$ 24,393,009
<b>Liabilities</b>							
Accounts payable	\$ 10,111	\$ -	\$ -	-	\$ 10,111	\$ -	\$ 10,111
Due to other funds	-	440,349	-	-	440,349	(440,349)	-
Due to primary government	-	67,973	-	-	67,973	-	67,973
Interest payable	-	-	-	-	-	9,775	9,775
Advance from primary government	-	-	-	600,000	600,000	-	600,000
Deferred revenue	1,315,255	749,011	-	-	2,064,266	(2,064,266)	-
Long-term liabilities:							
Due within one year	-	-	-	-	-	458,633	458,633
Due in more than one year	-	-	-	-	-	1,040,300	1,040,300
Total liabilities	1,325,366	1,257,333	-	600,000	3,182,699	(995,907)	2,186,792
<b>Fund balances</b>							
Unreserved, undesignated	5,665	1,233,511	359,692	-	1,598,868	(1,598,868)	-
Total fund balances	5,665	1,233,511	359,692	-	1,598,868	(1,598,868)	-
Total liabilities and fund balances	\$ 1,331,031	\$ 2,490,844	\$ 359,692	\$ 600,000	\$ 4,781,567		
<b>Net assets</b>							
Invested in capital assets, net of related debt					18,552,858		18,552,858
Restricted for debt service					5,665		5,665
Restricted for construction					1,593,203		1,593,203
Unrestricted					2,054,491		2,054,491
Total net assets					\$ 22,206,217		22,206,217
Total liabilities and net assets					\$ 24,393,009		\$ 24,393,009

**COUNTY OF MONROE, MICHIGAN**  
**Statement of Activities / Governmental Funds Revenues,**  
**Expenditures, and Changes in Fund Balances**  
**Drain Commission Component Unit**  
**For the Year Ended December 31, 2004**

	Debt Service	Capital Projects			Total	Adjustments	Statement of Activities
	Special Drain	Drain	Special Drain	Drain Revolving			
<b>Revenues</b>							
Special assessments	\$ -	\$ 542,798	\$ -	\$ -	\$ 542,798	\$ 145,360	\$ 688,158
Charges for services	-	9,581	-	-	9,581	-	9,581
Interest revenue	111	21,359	2,012	-	23,482	-	23,482
Other revenue	-	100,802	-	-	100,802	-	100,802
Total revenues	111	674,540	2,012	-	676,663	145,360	822,023
<b>Expenditures/Expenses</b>							
Debt service:							
Principal	273,991	-	-	-	273,991	(273,991)	-
Interest and fiscal charges	78,740	-	-	-	78,740	9,775	88,515
Public works	-	446,944	170,128	-	617,072	423,478	1,040,550
Total expenditures/expenses	352,731	446,944	170,128	-	969,803	159,262	1,129,065
Revenues over (under) expenditures/expenses	(352,620)	227,596	(168,116)	-	(293,140)	(13,902)	(307,042)
<b>Other financing sources (uses)</b>							
Transfers in	341,806	78,777	-	-	420,583	(420,583)	-
Transfers (out)	-	(341,806)	(78,777)	-	(420,583)	420,583	-
Proceeds from drain notes	-	-	427,000	-	427,000	(427,000)	-
Total other financing sources (uses)	341,806	(263,029)	348,223	-	427,000	(427,000)	-
Change in fund balances / net assets	(10,814)	(35,433)	180,107	-	133,860	(440,902)	(307,042)
Fund balances / net assets, beginning of year	16,479	1,268,944	179,585	-	1,465,008	21,048,251	22,513,259
<b>Fund balances / net assets, end of year</b>	<u>\$ 5,665</u>	<u>\$ 1,233,511</u>	<u>\$ 359,692</u>	<u>\$ -</u>	<u>\$ 1,598,868</u>	<u>\$ 20,607,349</u>	<u>\$ 22,206,217</u>

# **STATISTICAL SECTION**

TABLE - 1

**COUNTY OF MONROE**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION**  
**GENERAL, SPECIAL REVENUE, DEBT SERVICE, AND CAPITAL PROJECTS FUNDS**  
**LAST TEN YEARS (UNAUDITED)**

	2004 #	2003 #	2002 #	2001 *	2000 *	1999 *	1998 *	1997 *	1996 *	1995 *
LEGISLATIVE	\$ -	\$ -	\$ -	\$ 359,763	\$ 342,726	\$ 375,238	\$ 332,267	\$ 323,766	\$ 303,682	\$ 299,165
JUDICIAL	\$ -	\$ -	\$ -	\$ 8,147,695	\$ 7,670,582	\$ 7,416,588	\$ 7,573,193	\$ 6,666,791	\$ 6,233,044	\$ 5,819,564
GENERAL GOVERNMENT	\$ 17,246,547	\$ 16,892,573	\$ 16,633,428	\$ 7,508,549	\$ 7,046,557	\$ 6,343,997	\$ 6,085,234	\$ 5,637,422	\$ 5,393,835	\$ 5,065,709
PUBLIC SAFETY	\$ 26,527,113	\$ 23,001,541	\$ 22,841,483	\$ 21,694,185	\$ 19,457,248	\$ 17,072,024	\$ 15,137,472	\$ 14,816,217	\$ 12,984,220	\$ 10,163,223
PUBLIC WORKS	\$ 633,863	\$ 513,775	\$ 93,817	\$ 28,318,363	\$ 23,202,310	\$ 19,282,723	\$ 16,592,765	\$ 19,024,617	\$ 13,979,312	\$ 17,726,341
HEALTH AND WELFARE	\$ 11,128,600	\$ 11,369,139	\$ 10,278,297	\$ 33,905,653	\$ 32,153,130	\$ 30,660,864	\$ 26,279,182	\$ 27,605,914	\$ 27,643,827	\$ 28,972,249
COMMUNITY AND ECONOMIC DEVELOPMENT	\$ 843,392	\$ 734,342	\$ 802,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RECREATION AND CULTURE	\$ 434,201	\$ 519,366	\$ 4,320,936	\$ 3,947,080	\$ 3,192,446	\$ 3,236,772	\$ 3,653,805	\$ 3,431,833	\$ 3,389,250	\$ 3,375,940
OTHER	\$ 1,109,005	\$ 1,100,877	\$ 70,755	\$ 1,699,168	\$ 1,943,951	\$ 1,405,615	\$ 3,829,922	\$ 2,643,688	\$ 938,797	\$ 592,583
CAPITAL OUTLAY	\$ 8,070,997	\$ 1,393,393	\$ 2,534,338	\$ 3,657,514	\$ 9,727,382	\$ 6,521,136	\$ 2,783,080	\$ 1,819,531	\$ 582,429	\$ 1,728,586
DEBT SERVICE-PRINCIPAL	\$ 1,985,061	\$ 1,464,140	\$ 1,465,832	\$ 10,128,251	\$ 5,903,547	\$ 6,317,475	\$ 5,394,483	\$ 5,739,892	\$ 6,723,149	\$ 6,708,717
DEBT SERV.-INT. & FISCAL CHARGES	\$ 473,321	\$ 527,147	\$ 607,279	\$ 2,887,349	\$ 2,745,199	\$ 2,867,899	\$ 2,760,010	\$ 3,044,048	\$ 3,341,267	\$ 3,570,281
TOTAL EXPENDITURES	\$ 68,452,100	\$ 57,516,293	\$ 59,649,150	\$ 122,253,570	\$ 113,385,077	\$ 101,500,331	\$ 90,421,413	\$ 90,753,719	\$ 81,512,813	\$ 84,022,358
OTHER FINANCING USES	\$ 9,952,555	\$ 9,497,831	\$ 11,190,894	\$ 11,389,885	\$ 11,441,400	\$ 10,791,065	\$ 9,900,928	\$ 7,419,297	\$ -	\$ -
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 78,404,655	\$ 67,014,124	\$ 70,840,044	\$ 133,643,455	\$ 124,826,477	\$ 112,291,396	\$ 100,322,341	\$ 98,173,016	\$ 81,512,813	\$ 84,022,358

\* 1994 THROUGH 2001 TOTALS INCLUDE DISCRETELY PRESENTED COMPONENT UNITS AND EXPENDABLE TRUST FUNDS.

# BEGINNING IN 2002, LEGISLATIVE AND JUDICIAL CATEGORIES ARE INCLUDED IN THE GENERAL GOVERNMENT TOTAL.

TABLE - 2

**COUNTY OF MONROE**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE**  
**GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUNDS**  
**LAST TEN YEARS (UNAUDITED)**

	2004 #	2003 #	2002 #	2001 *	2000 *	1999 *	1998 *	1997 *	1996 *	1995 *
<b>TAXES</b>										
<b>SPECIAL ASSESSMENTS</b>	\$ 36,717,917	\$ 27,672,966	\$ 30,489,470	\$ 29,171,134	\$ 26,376,794	\$ 25,290,631	\$ 25,198,929	\$ 23,383,502	\$ 22,429,069	\$ 21,677,007
<b>INTERGOVERNMENTAL REVENUE</b>	\$ -	\$ -	\$ -	\$ 6,249,677	\$ 2,678,096	\$ 2,387,605	\$ 2,432,679	\$ 2,152,119	\$ 3,505,824	\$ 3,709,449
<b>CHARGES FOR SERVICES</b>	\$ 22,200,448	\$ 14,841,696	\$ 15,773,253	\$ 51,525,040	\$ 58,382,853	\$ 54,362,523	\$ 45,032,318	\$ 41,879,219	\$ 42,046,733	\$ 43,989,157
<b>LICENSES AND PERMITS</b>	\$ 7,796,951	\$ 10,000,720	\$ 9,208,073	\$ 9,625,153	\$ 10,064,030	\$ 8,436,019	\$ 13,926,635	\$ 13,829,088	\$ 7,265,030	\$ 7,214,741
<b>ORDINANCE FINES</b>	\$ 584,690	\$ 536,555	\$ 518,553	\$ 753,865	\$ 748,266	\$ 746,104	\$ 675,145	\$ 682,117	\$ 638,655	\$ 578,025
<b>INTEREST EARNINGS</b>	\$ 986,734	\$ 942,842	\$ 1,841,398	\$ 1,784,057	\$ 1,637,437	\$ 1,793,627	\$ 1,400,404	\$ 1,420,980	\$ 1,368,571	\$ 1,418,114
<b>MISCELLANEOUS REVENUE</b>	\$ 1,150,719	\$ 1,211,256	\$ 1,411,801	\$ 3,680,727	\$ 4,232,507	\$ 3,167,603	\$ 2,457,638	\$ 3,330,832	\$ 2,130,509	\$ 2,164,757
	\$ 2,592,523	\$ 2,367,781	\$ 2,342,901	\$ 4,914,427	\$ 5,582,902	\$ 3,251,073	\$ 4,206,589	\$ 4,438,329	\$ 1,865,835	\$ 1,850,825
<b>TOTAL REVENUES</b>	\$ 72,029,982	\$ 57,573,816	\$ 107,704,080	\$ 109,762,885	\$ 99,435,185	\$ 95,330,338	\$ 91,116,186	\$ 81,250,226	\$ 82,602,075	\$ 85,272,228
<b>OTHER FINANCING SOURCES</b>	\$ 15,023,438	\$ 11,374,553	\$ 10,630,866	\$ 21,237,161	\$ 21,927,063	\$ 13,653,827	\$ 21,123,890	\$ 10,692,779	\$ -	\$ -
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ 87,053,420	\$ 68,948,369	\$ 128,941,241	\$ 131,689,948	\$ 113,089,012	\$ 116,454,228	\$ 101,808,965	\$ 81,250,226	\$ 82,602,075	\$ 85,272,228

\* 1994 THROUGH 2001 TOTALS DISCRETELY PRESENTED COMPONENT UNITS AND EXPENDABLE TRUST FUNDS..

# BEGINNING IN 2002, LEGISLATIVE AND JUDICIAL CATEGORIES ARE INCLUDED IN THE GENERAL GOVERNMENT TOTAL.

TABLE - 3

**COUNTY OF MONROE  
COUNTY-WIDE PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS  
(UNAUDITED)**

FISCAL YEAR	TOTAL TAX LEVY	AMOUNT OF CURRENT TAXES COLLECTED(1)	PERCENT OF CURRENT TAXES COLLECTED(1)	AMOUNT OF		TOTAL COLLECTED FOR YEAR
				DELINQUENT TAXES COLLECTED(2)		
1995	\$ 128,360,111	\$ 123,212,623	95.99%	\$ 6,827,483	\$	\$ 130,040,106
1996	\$ 130,716,741	\$ 125,234,695	95.81%	\$ 5,883,936	\$	\$ 131,118,631
1997	\$ 138,104,081	\$ 132,103,192	95.65%	\$ 5,372,012	\$	\$ 137,475,204
1998	\$ 144,345,886	\$ 137,778,527	95.45%	\$ 5,465,361	\$	\$ 143,243,888
1999	\$ 145,889,828	\$ 139,151,613	95.38%	\$ 6,144,664	\$	\$ 145,296,277
2000	\$ 161,084,442	\$ 153,399,482	95.23%	\$ 5,799,361	\$	\$ 159,198,843
2001	\$ 164,763,639	\$ 157,562,664	95.63%	\$ 7,530,707	\$	\$ 165,093,371
2002	\$ 168,485,213	\$ 160,060,026	95.00%	\$ 5,292,276	\$	\$ 165,352,302
2003	\$ 181,274,245	\$ 172,863,430	95.36%	\$ 7,513,407	\$	\$ 180,376,837
2004	\$ 194,192,666	\$ 184,510,927	95.01%	\$ 7,215,684	\$	\$ 191,726,611

(1) TO MARCH 1ST OF EACH YEAR

(2) ALL YEARS OUTSTANDING

TABLE 4

**COUNTY OF MONROE**  
**EQUALIZED VALUE AND ESTIMATED TRUE CASH VALUE**  
**OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

YEAR	REAL PROPERTY VALUE		PERSONAL PROPERTY VALUE		TOTAL VALUE		PERCENT OF TOTAL EQUALIZED VALUE TO TOTAL TRUE CASH VALUE
	EQUALIZED	TRUE CASH	EQUALIZED	TRUE CASH	EQUALIZED	TRUE CASH	
1995	\$ 3,346,974,889	\$ 6,693,949,778	\$ 397,885,826	\$ 795,771,652	\$ 3,744,860,715	\$ 7,489,721,430	50.00%
1996	\$ 3,544,251,280	\$ 7,088,502,560	\$ 408,218,597	\$ 816,437,194	\$ 3,952,469,877	\$ 7,904,939,754	50.00%
1997	\$ 3,801,587,115	\$ 7,148,187,695	\$ 425,983,111	\$ 857,183,118	\$ 4,227,570,226	\$ 8,005,370,813	50.00%
1998	\$ 4,110,534,072	\$ 8,252,847,854	\$ 436,318,417	\$ 878,064,646	\$ 4,546,852,489	\$ 9,130,912,500	50.00%
1999	\$ 4,444,823,162	\$ 8,923,234,721	\$ 463,209,239	\$ 932,105,241	\$ 4,908,032,401	\$ 9,855,339,962	50.00%
2000	\$ 4,771,165,722	\$ 9,576,980,483	\$ 446,051,149	\$ 898,176,222	\$ 5,217,216,871	\$ 10,475,156,705	50.00%
2001	\$ 5,054,138,447	\$ 10,162,547,813	\$ 471,793,096	\$ 950,323,990	\$ 5,525,931,543	\$ 11,112,871,803	50.00%
2002	\$ 5,388,025,815	\$ 10,838,883,212	\$ 488,638,678	\$ 984,633,748	\$ 5,876,664,493	\$ 11,823,516,960	50.00%
2003	\$ 5,701,707,522	\$ 11,475,162,634	\$ 464,976,294	\$ 937,089,043	\$ 6,166,683,816	\$ 12,412,251,677	50.00%
2004	\$ 6,042,351,865	\$ 12,150,776,477	\$ 475,914,307	\$ 959,886,017	\$ 6,518,266,172	\$ 13,110,662,494	50.00%

TABLE 5

**COUNTY OF MONROE  
PROPERTY TAX RATES  
LAST TEN YEARS  
(PER \$1000 OF ASSESSED VALUE)  
UNAUDITED**

<b>YEAR</b>	<b>COUNTY OPERATING</b>	<b>JAIL BOND</b>	<b>SENIOR CITIZEN</b>	<b>LIBRARY</b>	<b>TOTAL</b>
1995	4.8495	0.1600	0.4898	0.4899	5.9892
1996	4.8495	0.1600	0.4898	0.4899	5.9892
1997	4.8495	0.1600	0.4898	0.4899	5.9892
1998	4.8495	0.1600	0.4898	0.4899	5.9892
1999	4.8417	0.1600	0.4890	0.4891	5.9798
2000	4.8359	0.1600	0.4884	0.8185	6.3028
2001	4.8359	0.1600	0.4884	0.8185	6.3028
2002	4.8291	0.1600	0.4877	0.8173	6.2941
2003	4.7933	0.1000	0.4840	0.8111	6.1884
2004	4.8090	0.1100	0.4856	1.0000	6.4046

TABLE 6

**COUNTY OF MONROE  
PRINCIPAL TAXPAYERS  
DECEMBER 31, 2004  
UNAUDITED**

<i><b>TAXPAYER</b></i>	<i><b>2004 TAXABLE VALUE</b></i>	<i><b>PERCENT OF COUNTY VALUE</b></i>
<b>DETROIT EDISON</b>	\$926,493,641	17.37%
<b>VISTEON (FORMERLY FORD MOTOR COMPANY)</b>	\$89,262,210	1.67%
<b>CONSUMERS ENERGY</b>	\$73,703,660	1.38%
<b>HOLCIM</b>	\$33,857,906	0.63%
<b>MACSTEEL MONROE(FORMERLY NORTH STAR)</b>	\$31,053,570	0.58%
<b>GOODWILL (MEIJER)</b>	\$24,977,765	0.47%
<b>INTERNATIONAL TRASMISSION CO.</b>	\$22,189,043	0.42%
<b>CABELA</b>	\$18,816,918	0.35%
<b>FRENCHTOWN SQUARE</b>	\$17,262,658	0.32%
<b>GUARDIAN INDUSTRIES</b>	\$12,289,984	0.23%
<b>TOTAL TOP TEN</b>	\$1,249,907,355	23.43%
<b>BALANCE OF COUNTY</b>	\$4,084,470,016	76.57%

TABLE 7

**COUNTY OF MONROE  
SPECIAL ASSESSMENTS DRAIN COLLECTIONS  
LAST TEN YEARS  
(UNADUITED)**

<b>FISCAL YEAR</b>	<b>AMOUNT OF SPECIAL ASSESSMENTS BECOMING DUE DURING FISCAL YEAR</b>	<b>SPECIAL ASSESSMENTS COLLECTED</b>	<b>TOTAL AMOUNT SPECIAL ASSESSMENTS UNCOLLECTED</b>
1995	\$1,025,760	\$946,779	\$78,981
1996	565,831	517,699	48,132
1997	2,279,254	2,220,746	58,508
1998	2,150,157	2,106,519	43,638
1999	2,473,935	2,408,196	65,739
2000	2,114,236	2,061,558	52,678
2001	632,488	591,641	40,847
2002	575,688	545,548	30,140
2003	488,121	461,028	27,093
2004	693,526	648,930	44,596

**NOTE: EACH OCTOBER THE DRAIN COMMISSIONER TURNS OVER FOR COLLECTION THE PORTION OF SPECIAL ASSESSMENT DRAINS TO BE PAID BY THE TAXPAYERS IN A DRAINAGE DISTRICT**

**TABLE - 8**  
**COUNTY OF MONROE**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**December 31, 2004**  
**(UNAUDITED)**

STATE EQUALIZED VALUE (EXCLUDING IFT VALUES)	(2004)	\$ <u>6,518,266,172</u>
LEGAL DEBT LIMIT ( 10% OF STATE EQUALIZED VALUE OF PROPERTY IN COUNTY)		\$ 651,826,617
TOTAL LONG-TERM DEBT		\$ 66,119,200
LESS: LONG-TERM DEBT NOT SUBJECT TO LEGAL DEBT LIMIT	\$ 1,022,264	
AMOUNT AVAILABLE FOR PAYMENT OF LONG-TERM DEBT	\$ <u>1,777,736</u>	\$ <u>2,800,000</u>
TOTAL LONG-TERM DEBT SUBJECT TO LEGAL DEBT LIMIT		\$ <u>63,319,200</u>
LEGAL DEBT MARGIN		\$ <u>588,507,417</u>

TABLE 9

**COUNTY OF MONROE**  
**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE**  
**AND NET BONDED DEBT PER CAPITA**  
**LAST TEN YEARS**  
**(UNAUDITED)**

YEAR	<u>POPULATION (1)</u>	<u>ASSESSED VALUE FOR OPERATIONS (2)</u>	<u>TAX SUPPORTED DEBT</u>	<u>LESS</u>		<u>NET GENERAL BONDED DEBT</u>	<u>RATIO</u>	
				<u>DEBT SERVICE MONEY AVAILABLE</u>	<u>GENERAL BONDED DEBT</u>		<u>OF NET GENERAL BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
1995	141,400	\$ 3,744,860,715	\$ 70,099,483	\$ 537,316	\$ 69,562,167	1.858%	\$	491.95
1996	142,323	\$ 3,952,469,877	\$ 64,555,627	\$ 390,728	\$ 64,164,899	1.623%	\$	450.84
1997	142,323	\$ 4,227,570,226	\$ 58,622,278	\$ 484,470	\$ 58,137,808	1.375%	\$	408.49
1998	145,230	\$ 4,546,852,489	\$ 57,428,976	\$ 584,814	\$ 56,844,162	1.250%	\$	391.41
1999	145,230	\$ 4,908,032,401	\$ 53,514,950	\$ 861,990	\$ 52,652,960	1.073%	\$	362.55
2000	145,945	\$ 5,217,216,871	\$ 57,479,668	\$ 989,347	\$ 56,490,321	1.083%	\$	387.07
2001	145,945	\$ 5,525,931,543	\$ 57,500,662	\$ 1,090,780	\$ 56,409,882	1.021%	\$	386.51
2002	149,251	\$ 5,876,664,493	\$ 61,148,202	\$ 1,048,320	\$ 60,099,882	1.023%	\$	402.68
2003	151,848	\$ 6,166,683,816	\$ 56,465,643	\$ 977,243	\$ 55,488,400	0.900%	\$	365.42
2004	152,256	\$ 6,518,266,172	\$ 64,340,063	\$ 1,020,863	\$ 63,319,200	0.971%	\$	415.87

(1) POPULATION FIGURES COME FROM DECEMBER 1995, SEMCOG REGIONAL DEVELOPMENT FORECASTS, 2000 - U.S. BUREAU CENSUS AND 1993-1994 MICHIGAN INFORMATION CENTER, 2002-2004 ESTIMATE FROM SOUTHEASTERN MICHIGAN COUNCIL OF GOVERNMENTS

(2) DATA FROM TABLE 4

Note: NUMBERS INCLUDE COMPONENT UNITS

TABLE 10

**COUNTY OF MONROE**  
**RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT**  
**TO TOTAL GENERAL EXPENDITURES**  
**LAST TEN YEARS**  
**(UNAUDITED)**

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL EXPENDITURES*</u>	<u>RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES (PERCENT)</u>
1995	\$ 800,000	\$ 524,740	\$ 1,324,740	\$ 56,739,518	2.33%
1996	\$ 695,000	\$ 486,885	\$ 1,181,885	\$ 58,867,974	2.01%
1997	\$ 705,000	\$ 452,195	\$ 1,157,195	\$ 46,398,351	2.49%
1998	\$ 775,000	\$ 439,556	\$ 1,214,556	\$ 48,289,703	2.52%
1999	\$ 1,185,000	\$ 743,420	\$ 1,928,420	\$ 53,474,842	3.61%
2000	\$ 1,210,000	\$ 740,923	\$ 1,950,923	\$ 60,496,504	3.22%
2001	\$ 1,411,309	\$ 684,020	\$ 2,095,329	\$ 58,675,285	3.57%
2002	\$ 1,465,832	\$ 607,279	\$ 2,073,111	\$ 59,649,150	3.48%
2003	\$ 1,464,140	\$ 527,147	\$ 1,991,287	\$ 57,516,293	3.46%
2004	\$ 1,985,061	\$ 473,321	\$ 2,458,382	\$ 68,452,100	3.59%

\*Note: Includes the general, special revenue, debt service, and capital projects funds.  
Source: Monroe County Finance Department

TABLE 11

**COUNTY OF MONROE**  
**DEBT STATEMENT**  
**December 31, 2004**  
**(UNAUDITED)**

**DIRECT DEBT:**

		<u><b>BONDED DEBT OUTSTANDING</b></u>
GENERAL OBLIGATION TAX NOTES		
WATER BONDS	\$ 33,495,000	
SEWER BONDS	\$ 18,430,000	
DRAIN BONDS	\$ 1,009,200	
MTF NOTES/BONDS (a)	\$ 4,445,000	
BUILDING AUTHORITY BONDS	\$ 8,740,000	
<b>TOTAL DIRECT DEBT</b>		\$ 66,119,200

(a) NO COUNTY CREDIT PLEDGED ON \$2,800,000.

SELF SUPPORTING BONDS (*)	\$ 43,213,525	
MICHIGAN TRANSPORTATION	\$ 4,445,000	\$ 47,658,525
<b>NET DIRECT DEBT</b>		<u><b>\$ 18,460,675</b></u>

(\*) INCLUDES ALL WATER AND SEWER BONDS AND PORTIONS  
 OF THE DRAIN BONDS AND NOTES WHICH ARE SELF-SUPPORTING.

**OVERLAPPING DEBT:**

SCHOOL DISTRICTS	\$ 98,043,357	
CITIES	\$ 11,731,526	
TOWNSHIPS	\$ 48,206,127	
VILLAGES	\$ 27,809,640	
<b>TOTAL OVERLAPPING DEBT</b>		<u><b>\$ 185,790,650</b></u>
<b>NET DIRECT AND OVERLAPPING DEBT</b>		<u><u><b>\$ 204,251,325</b></u></u>

SOURCE: MUNICIPAL ADVISORY COUNCIL OF MICHIGAN

**DEBT RATIOS:**

## PER CAPITA:

NET DIRECT DEBT	\$	121.25
NET DIRECT AND OVERLAPPING DEBT	\$	1,341.50

## RATIO TO 2004 TAXABLE VALUE:

	\$ 5,334,377,371	
NET DIRECT DEBT		0.35%
NET DIRECT AND OVERLAPPING DEBT		3.83%

## RATIO TO 2004 STATE EQUALIZED VALUATION:

	\$ 6,518,266,172	
NET DIRECT DEBT		0.28%
NET DIRECT AND OVERLAPPING DEBT		3.13%

## RATIO TO 2004 TRUE CASH VALUE:

	\$ 13,110,662,494	
NET DIRECT DEBT		0.14%
NET DIRECT AND OVERLAPPING DEBT		1.56%

2004 ESTIMATED POPULATION (SOUTHEASTERN MICHIGAN COUNCIL OF GOVERNMENTS) 152,256

TABLE 12

**COUNTY OF MONROE  
DEMOGRAPHIC STATISTICS  
(UNAUDITED)**

## POPULATION COUNT:

1930	52,486
1940	58,620
1950	75,666
1960	101,120
1970	119,215
1980	134,659
1990	133,600
2000	145,945
2005 *	152,256

SOURCE: ACTUAL CENSUS AND SOUTHEAST MICHIGAN COUNCIL OF GOVERNMENTS

## AGE DISTRIBUTION: 2000

<u>AGE</u>	<u>COUNT</u>
0-4	9,683
5-9	11,126
10-14	12,095
15-19	10,946
20-24	7,960
25-34	18,747
35-44	24,799
45-54	21,376
55-59	7,384
60-64	5,607
65-74	9,019
75-84	5,387
85 & OVER	<u>1,816</u>
	<u>145,945</u>

MEDIAN AGE IN 2000 = 36.0

SOURCE: BUREAU OF CENSUS, 2000

## PER CAPITA INCOME: (ESTIMATED CURRENT DOLLARS)

1992	\$18,231
1993	\$19,022
1994	\$21,705
1995	\$22,653
1996	\$23,326
1997	\$24,244
1998	\$25,687
1999	\$26,548
2000	\$29,228 *
2001	\$28,632 *
2002	\$29,015 *

SOURCE: MICHIGAN EMPLOYMENT SECURITY COMMISSION AND \*U.S. DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS

TABLE 12

**MONROE COUNTY  
DEMOGRAPHIC STATISTICS - CONTINUED  
(UNAUDITED)**

INCOME DISTRIBUTION (2000) (BY HOUSEHOLD) :

HOUSEHOLD INCOME	NUMBER OF HOUSEHOLDS
LESS THAN \$10,000	3,461
\$ 10,000 TO \$ 14,999	2,529
\$ 15,000 TO \$ 24,999	5,636
\$ 25,000 TO \$ 34,999	5,608
\$ 35,000 TO \$ 49,999	8,508
\$ 50,000 TO \$ 74,999	12,490
\$ 75,000 TO \$ 99,999	8,247
\$ 100,000 TO \$ 149,999	5,608
\$ 150,000 TO \$ 199,999	1,049
\$ 200,000 OR MORE	<u>714</u>
TOTAL NUMBER OF HOUSEHOLDS	<u>53,850</u>
MONROE COUNTY MEDIAN HOUSEHOLD INCOME	<u>\$51,743</u>

SOURCE: BUREAU OF CENSUS, 2000, STF3A

NOTE: DATA ARE ESTIMATES BASED ON A SAMPLE

UNEMPLOYMENT: MONROE COUNTY

YEAR	PERCENTAGE
-----	-----
1992	9.4%
1993	7.5%
1994	5.5%
1995	5.2%
1996	4.0%
1997	3.8%
1998	3.1%
1999	3.0%
2000	3.1%
2001	4.5%
2002	5.6%
2003	7.3%
2004	6.2%

SOURCE: DEPARTMENT OF LABOR AND ECONOMIC GROWTH

UNLESS OTHER WISE NOTED ALL DEMOGRAPHIC STATISTICS WERE OBTAINED  
FROM THE MONROE COUNTY PLANNING COMMISSION

TABLE 13

**COUNTY OF MONROE  
PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS - UNAUDITED  
LAST TEN YEARS**

<u>FISCAL YEAR</u>	<u>COMMERCIAL CONSTRUCTION</u>		<u>RESIDENTIAL CONSTRUCTION</u>		<u>NUMBER OF PERMITS (1)</u>	<u>VALUE</u>	<u>NUMBER OF PERMITS (1)</u>	<u>VALUE</u>	<u>BANK DEPOSITS (000's)</u>	<u>INDUSTRIAL COMMERCIAL UTILITY</u>		<u>RESIDENTIAL</u>		<u>AGRICULTURAL</u>	
	<u>NUMBER OF PERMITS (1)</u>	<u>VALUE</u>	<u>NUMBER OF PERMITS (1)</u>	<u>VALUE</u>											
1995	35	\$ 6,003,360	798	\$ 79,387,159	\$	1,404,660	\$ 2,964,520,715	\$ 3,331,832,148	\$ 401,792,557						
1996	34	\$ 6,927,208	687	\$ 79,573,439	\$	1,474,641	\$ 3,023,583,787	\$ 3,663,790,111	\$ 407,617,549						
1997	41	\$ 14,630,788	788	\$ 86,951,659	\$	1,455,455	\$ 3,119,651,797	\$ 4,073,095,091	\$ 433,186,503						
1998	44	\$ 14,595,073	743	\$ 91,813,609	\$	1,465,048	\$ 3,180,586,512	\$ 4,577,659,821	\$ 473,381,381						
1999	34	\$ 20,906,701	757	\$ 98,750,578	NOT AVAILABLE	\$ 3,310,702,374	\$ 5,075,266,801	\$ 513,655,961							
2000	28	\$ 25,631,000	1024	\$ 110,572,718	NOT AVAILABLE	\$ 3,424,433,976	\$ 5,564,060,774	\$ 566,347,929							
2001	37	\$ 17,779,073	733	\$ 96,366,226	NOT AVAILABLE	\$ 3,383,755,021	\$ 6,164,666,554	\$ 590,809,009							
2002	28	\$ 13,336,659	905	\$ 112,990,200	NOT AVAILABLE	\$ 3,450,325,205	\$ 6,727,414,740	\$ 634,995,933							
2003	22	\$ 7,911,431	1078	\$ 156,214,950	NOT AVAILABLE	\$ 3,522,462,867	\$ 7,231,815,549	\$ 687,878,894							
2004	25	\$ 30,696,242	1165	\$ 161,158,232	NOT AVAILABLE	\$ 3,576,109,033	\$ 7,775,733,293	\$ 751,017,354							

(1) - SOURCE: 2003 MONROE COUNTY PLANNING COMMISSION BUILDING ACTIVITIES REPORT.

\* - SOURCE: MONROE COUNTY EQUALIZATION REPORT

\*\* - SOURCE: STATE FINANCIAL INSTITUTION BUREAU BANK AND TRUST DIVISION  
SHESHUNOFF - THE BRANCHES OF MICHIGAN AS OF JUNE 30 OF EACH YEAR

TABLE - 14  
COUNTY OF MONROE  
MISCELLANEOUS STATISTICAL DATA

ESTABLISHED:	1817; NAMED IN HONOR OF PRESIDENT JAMES MONROE
FORM OF GOVERNMENT:	NINE MEMBER BOARD OF COMMISSIONERS WITH AN ADMINISTRATOR/CHIEF FINANCIAL OFFICER
POPULATION:	145,945 (2000 CENSUS)
AREA:	563.1 SQUARE MILES
COUNTY SEAT:	CITY OF MONROE
UNITS OF GOVERNMENT:	15 TOWNSHIPS 4 CITIES 5 VILLAGES
MILES OF ROADS:	PRIMARY - 429 LOCAL - 933 STATE - 165
PARKS (ACRES):	COUNTY OWNED - 323.0 PUBLIC - 1,106.6 PRIVATE - 5,449.2 STATE/FEDERAL/REGIONAL - 6,106.0
POLICE PROTECTION:	JAIL CAPACITY - 363 BEDS CERTIFIED OFFICERS - 93 VEHICLES - 61
EDUCATION (1996 FTE COUNT):	PUBLIC - 24,497.5 PRIVATE - 2,932
MISCELLANEOUS:	264,000 ACRES - AGRICULTURAL LAND 31,800 ACRES OF FOREST 15,800 ACRES OF LAND 12,400 ACRES OF OPEN WATER 359,633.17 TOTAL ACRES IN COUNTY  MONROE COUNTY HAS OVER 32 MILES OF LAKE ERIE SHORELINE AND IS MICHIGAN'S ONLY PORT ON LAKE ERIE.

**MONROE COUNTY,  
MICHIGAN**

**SINGLE AUDIT**

**For the Year Ended December 31, 2004**



**REHMANN ROBSON**

*Certified Public Accountants*

# MONROE COUNTY, MICHIGAN SINGLE AUDIT

## Table of Contents

Year Ended December 31, 2004

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**MONROE COUNTY, MICHIGAN**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2004**

<b>Federal Agency/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Pass-Through Grant Number</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Direct Program -			
U.S.D.A. Food Distribution - Entitlement Commodities	10.550	-n/a-	\$ 1,088
Passed-through the Michigan Department of Education:			
School Breakfast Program	10.553	58-000-8001	13,751
National School Lunch Program	10.555	58-000-8001	20,748
Passed-through the Michigan Department of Community Health -			
Women, Infants and Children:	10.557		
2004/2005		20050054	72,927
2003/2004		20040152	235,742
Passed-through the Michigan Department of Labor and Economic			
Growth and Southeast Michigan Community Alliance -			
State Administration Matching Grants for Food Stamp Program:	10.561		
2004/2005		04-02-0004	13,312
2003/2004		03-02-0006	27,607
Passed-through the Farm Service Agency -			
Conservation Reserve Program	10.069	0286	<u>4,908</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>390,083</u></b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Passed-through Michigan State Housing Development Authority -			
Community Development Block Grant/State's Program	14.228	MSC-2003-0780-HOA	<u><b>248,383</b></u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Direct Programs:			
Drug Court Discretionary Grant Program	16.585	2002-DC-BX-0040	200,852
Local Law Enforcement Block Grant:	16.592		
FY 2002 Local Law Enforcement Block Grant		2002-LB-BX-2064	385
FY 2003 Local Law Enforcement Block Grant		2003-LB-BX-2765	25,258
FY 2004 Local Law Enforcement Block Grant		2004-LB-BX-1182	7,149
Bulletproof Vest Partnership Program	16.607	-n/a-	1,011
Public Safety Partnership and Community Policing Grant:	16.710		
COPS in Schools Program		2001SHWX0345	27,957
COPS MORE 02		2002CMWX0171	1,410
COPS in Schools Program		2002SHWX0353	93,625

continued...

The accompanying notes are an integral part of this schedule

**MONROE COUNTY, MICHIGAN**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2004**

<b>Federal Agency/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Pass-Through Grant Number</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF JUSTICE (concluded)</b>			
Passed-through the Michigan Family Independence Agency - Juvenile Accountability Incentive Block Grant:	16.523		
2004/2005		JAIBG-04-58001	\$ 25,947
2003/2004		JAIBG-03-58001	8,647
Balanced and Restorative Justice Initiative		431N3002563	2,000
 Juvenile Justice and Delinquency Prevention:	16.540		
Active Balanced Community Initiative		JJ-BRC-05-58001	3,689
Building Restorative Communities Initiative		071B3001410	35,258
<b>Total U.S. Department of Justice</b>			<b>433,188</b>
<b>U.S. DEPARTMENT OF LABOR</b>			
Passed-through the Michigan Department of Labor and Economic Growth and Southeast Michigan Community Alliance:			
Reed Act:	17.xxx		
2004/2005		04-02-004	22,738
2003/2004		03-02-0006	385,818
 Employment Service:	17.207		
2004/2005		04-02-0004	102,352
2003/2004		03-02-0006	138,284
 TAA/NAFTA:	17.245		
2004/2005		04-02-0004	20
2003/2004		03-02-0006	63,360
 Welfare to Work Grants to States and Localities	17.253	03-02-0006	57,436
 WIA Adult Program:	17.258		
2004/2005		04-02-0004	76,627
2003/2004		03-02-0006	124,872
 WIA Dislocated Worker Program:	17.260		
2004/2005		04-02-0004	126,881
2003/2004		03-02-0006	225,307
<b>Total U.S. Department of Labor</b>			<b>1,323,695</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed-through Michigan Office of Highway Safety Planning - State and Community Highway Safety:	20.600		
Drive Michigan Safety Task Force		PT-04-09	36,320
Drive Michigan Safety Task Force		PT-05-06	6,909
<b>Total U.S. Department of Transportation</b>			<b>43,229</b>
The accompanying notes are an integral part of this schedule			continued...

**MONROE COUNTY, MICHIGAN**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2004**

<b>Federal Agency/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Pass-Through Grant Number</b>	<b>Expenditures</b>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
Passed through Michigan Department of Environmental Quality:			
State Indoor Radon Grants	66.032	-n/a-	\$ 2,000
Operators of Small Water Systems Certification and Training	66.471	-n/a-	3,400
<b>Total U.S. Environmental Protection Agency</b>			<b>5,400</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed-through the Michigan Family Independence Agency:			
Child Support Enforcement:	93.563		
Title IV Incentive Payments		na	330,063
Friend of the Court/Prosecutor combined:			
2004/2005		CS/COM-05-58003	231,295
2003/2004		CS/COM-04-58003	711,115
Medical Support Enforcement:			
2004/2005		CS/MED-05-58003	15,413
2003/2004		CS/MED-04-58003	40,450
Foster Care Title IV E	93.658		
		Profc-04-58001	8,219
		Profc-00-58001	2,028
Passed-through the Michigan Department of Labor and Economic Growth and Southeast Michigan Community Alliance (SEMCA):			
Temporary Assistance for Needy Families:	93.558		
Work First Program:			
2004/2005		04-02-004	127,553
2003/2004		03-02-0006	152,215
Passed-through the Michigan Department of Community Health:			
Family Planning Services:	93.217		
2004/2005		20050054	17,692
2003/2004		20040152	53,814
Immunization Grants:	93.268		
Federally supplied vaccines		various	480,366
Vaccine Handling		20050054	946
Immunization Assessment:			
2004/2005		20050054	13,962
2003/2004		20040152	41,735
VFC site visits		20040152	3,200

continued...

The accompanying notes are an integral part of this schedule

**MONROE COUNTY, MICHIGAN**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2004**

<b>Federal Agency/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Pass-Through Grant Number</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (concluded)</b>			
Passed-through the Michigan Department of Community Health (concluded):			
Center for Disease Control & Prevention -			
Investigations and Technical Assistance:	93.283		
2004/2005 Bio Terrorism		20050054	\$ 44,014
2003/2004 Bio Terrorism		20040152	228,040
West Nile Virus		various	10,455
Medical Assistance Program:	93.778		
CSHCS Case Management Services:			
2004/2005		20050054	2,152
2003/2004		20040152	15,959
CSHCS Care Coordination:			
2004/2005		20050054	7,968
2003/2004		20040152	16,733
HIV Prevention Activities - Health Department Based	93.940	205004	5,815
Maternal and Child Health Services Block Grant:	93.994		
Local Maternal and Child Health:			
2004/2005		20050054	16,182
2003/2004		20040152	48,548
Family Planning/Pregnancy Prevention:			
2004/2005		20050054	13,479
2003/2004		20040152	63,615
CSHCS Case Management Services:			
2004/2005		20050054	2,874
2003/2004		20040152	8,620
<b>Total U.S. Department of Health and Human Services</b>			<b><u>2,714,520</u></b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Direct Program -			
Interoperable Communications Equipment	97.055	EMW-2003-GR-0403	5,990,690

continued...

The accompanying notes are an integral part of this schedule

**MONROE COUNTY, MICHIGAN**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2004**

<b>Federal Agency/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Pass-Through Grant Number</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY (concluded)</b>			
Passed Through Michigan Department of State Police:			
State Domestic Preparedness Equipment Support Program:	97.004		
Critical Infrastructure Security		-n/a-	\$ 65,733
Critical Infrastructure Security part II		-n/a-	28,918
2004 State Homeland Security Program		-n/a-	323,476
2003 State Homeland Security Program		-n/a-	78,691
2003 State Homeland Security Program REP award		-n/a-	83,126
2003 SHSGP Part II Training Grant Funds		-n/a-	59,507
2003 SHSGP Part II Solution Area Planner		-n/a-	33,444
Emergency Management Performance Grants	97.042	-n/a-	<u>30,287</u>
<b>Total U.S. Department of Homeland Security</b>			<u><b>6,693,872</b></u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u><b>\$ 11,852,370</b></u></u>

The accompanying notes are an integral part of this schedule

# MONROE COUNTY, MICHIGAN

## Notes to Schedule of Expenditures of Federal Awards

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### 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Monroe County, Michigan (the "County") and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Monroe County, Michigan's reporting entity is defined in Note A of the County's financial statements. Monroe County, Michigan's financial statements include the operations of the Monroe County Community Mental Health Authority and Monroe County Agency discretely presented component units, which received federal awards of \$398,653 and \$115,911, respectively, that are not included in the Schedule during the year ended December 31, 2004. Our audit did not include the operations of the Monroe County Community Mental Health Authority or Monroe County Agency discretely presented component units because those entities engaged other auditors to perform audits in accordance with OMB Circular A-133.

\* \* \* \* \*



**REHMANN ROBSON**

*Certified Public Accountants*

A member of THE REHMANN GROUP



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

March 25, 2005

To the Board of Commissioners  
of Monroe County  
Monroe, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of ***Monroe County, Michigan***, as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents, and have issued our report thereon dated March 25, 2005. We did not audit the financial statements of the Monroe County Community Mental Health Authority, Monroe County Library and Monroe County Agency that collectively represent 48.4% of the assets and 64.1% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Monroe County Community Mental Health Authority, Monroe County Library and Monroe County Agency, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered ***Monroe County, Michigan's*** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our report and the report of other auditors noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether *Monroe County, Michigan's* financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests and the report of the other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style.



**REHMANN ROBSON**

*Certified Public Accountants*

A member of THE REHMANN GROUP



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

March 25, 2005

To the Board of Commissioners  
of Monroe County  
Monroe, Michigan

**Compliance**

We have audited the compliance of **Monroe County, Michigan** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2004. Monroe County, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Monroe County, Michigan's management. Our responsibility is to express an opinion on Monroe County, Michigan's compliance based on our audit.

Monroe County, Michigan's reporting entity is defined in Note A of the County's financial statements. Monroe County, Michigan's financial statements include the operations of the Monroe County Community Mental Health Authority and Monroe County Agency discretely presented component units, which received federal awards of \$398,653 and \$115,911, respectively, that are not included in the Schedule during the year ended December 31, 2004. Our audit, as described below, did not include the operations of the Monroe County Community Mental Health Authority or Monroe County Agency discretely presented component units because those entities engaged other auditors to perform audits in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Monroe County, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Monroe County, Michigan's compliance with those requirements.

In our opinion, Monroe County, Michigan complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2004.

### **Internal Control Over Compliance**

The management of Monroe County, Michigan is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Monroe County, Michigan's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grant agreements caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our report and the report of other auditors noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Monroe County, Michigan as of and for the year ended December 31, 2004, and have issued our report thereon dated March 25, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Monroe County, Michigan's basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

We did not audit the financial statements of the Monroe County Community Mental Health Authority, Monroe County Library and Monroe County Agency that collectively represent 48.4% of the assets and 64.1% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Monroe County Community Mental Health Authority, Monroe County Library and Monroe County Agency, is based solely on the reports of the other auditors.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Lehmann Johnson". The script is cursive and fluid, with the first name "Lehmann" and last name "Johnson" written in a single continuous line.

# MONROE COUNTY, MICHIGAN

## Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2004

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### SECTION I - SUMMARY OF AUDITORS' RESULTS

#### Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ yes    X no

Reportable condition(s) identified  
not considered to be material weaknesses?

\_\_\_\_\_ yes    X none reported

Noncompliance material to financial statements  
noted?

\_\_\_\_\_ yes    X no

#### Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

\_\_\_\_\_ yes    X no

Reportable condition(s) identified  
not considered to be material weaknesses?

\_\_\_\_\_ yes    X none reported

Type of auditors' report issued on compliance  
for major programs:

Unqualified

Any audit findings disclosed that are required  
to be reported in accordance with  
Circular A-133, Section 510(a)?

\_\_\_\_\_ yes    X no

# **MONROE COUNTY, MICHIGAN**

## **Schedule of Findings and Questioned Costs (Concluded)**

**For the Year Ended December 31, 2004**

---

### **SECTION I - SUMMARY OF AUDITORS' RESULTS (Concluded)**

Identification of major programs:

<u><b>CFDA Number(s)</b></u>	<u><b>Name of Federal Program or Cluster</b></u>
97.004	State Domestic Preparedness Equipment Support Program
97.055	Interoperable Communications Equipment

Dollar threshold used to distinguish  
between Type A and Type B programs: \$354,777

Auditee qualified as low-risk auditee?   X   yes        no

### **SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters were reported.

### **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported

### **SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS**

In the prior year, the County was given findings 2003-1 and 2003-2 for not maintaining proper documentation of eligibility and medical support, respectively, for individuals receiving benefits from Title IV-D. As of December 31, 2004, these findings have been resolved to the auditors' satisfaction, and accordingly, are no longer issues.

\* \* \* \* \*



# REHMANN ROBSON

*Certified Public Accountants*

A member of THE REHMANN GROUP



March 25, 2005

To the Board of Commissioners  
Monroe County

We have audited the basic financial statements of *Monroe County* as of and for the year ended December 31, 2004, and have issued our report thereon dated March 25, 2005. We did not audit the financial statements of the Monroe County Community Mental Health Authority, Monroe County Library and Monroe County Agency, discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us.

Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility Under Generally Accepted Auditing Standards and OMB Circular A-133**

As stated in our engagement letter dated January 5, 2005, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

In planning and performing our audit, we considered Monroe County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether Monroe County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Monroe County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Monroe County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Monroe County's compliance with those requirements.

### **Significant Accounting Policies**

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by Monroe County are described in Note A to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2004. We noted no transactions entered into by Monroe County during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

### **Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the liability for uninsured risks of loss, including incurred but not reported claims, which are accounted for in certain of the County's internal service funds and for which the County utilizes the services of an independent third-party risk management consultant to estimate the liability. We relied upon the work of the third-party expert in determining that the liability is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the useful lives of depreciable fixed assets is based on the length of time it is believed that those assets will provide some economic benefit in the future. We evaluated the key factors and assumptions used to develop the useful lives of those assets in determining that they are reasonable in relation to the financial statements taken as a whole.

### **Significant Audit Adjustments**

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the County's financial reporting process (that is, cause future financial statements to be materially misstated). We proposed several audit adjustments that, in our judgment, had a significant effect on the financial statements, both individually and in the aggregate, all of which were recorded by the County and are reflected in the financial statements.

In addition, the attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

**Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Issues Discussed Prior to Retention of Independent Auditors**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Monroe County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Difficulties Encountered in Performing the Audit**

We encountered no difficulties in dealing with management in performing our audit.

This letter is intended for the use of the Board of Commissioners and management of Monroe County, the State of Michigan, and respective federal and state grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Very truly yours,

A handwritten signature in black ink, appearing to read "Lehmann Johnson", written in a cursive style.

Monroe County  
Schedule of Adjustments Passed (SOAP)  
For the December 31, 2004 Audit

In accordance with the provisions of SAS 89, *Audit Adjustments*, we have prepared the following schedule of proposed audit adjustments, which we believe are immaterial both individually and in the aggregate. Also in accordance with SAS 89, we are providing this schedule to both management and the audit committee to receive their assurance that they agree that the amounts listed below are not material to the financial statements, either individually or in the aggregate, and do not need to be recorded.

Effect of Passed Adjustment - Over(Under)Statement					
	Assets	Liabilities	Beginning Fund Balance	Revenue	Expenses/ Expenditures
					W/P Ref
<b>General Fund</b>					
Unposted market value adjustment	19,487	-	-	-	(19,487) <b>ALF B-1.1</b>
<b>Special Revenue</b>					
Unposted market value adjustment	1,296	-	-	-	(1,296) <b>ALF B-1.1</b>